

LEGISLATIVE HISTORY OF R.S.52:13D-12 et seq.
(Conflict of Interest - Legislators and State Employees.)

Previous legislation

L.1967 - chap.229 [NJS 52:13D-1 et seq] S493.
May 1 - Introduced by Waddington, Ozzard.
The Bill had no statement (enclosed)
May 8 - Passed Senate by emergency resolution, amended
(enclosed)
May 8 - Passed Assembly by emergency resolution.
Oct.30 - Approved.

Governor's press release enclosed.

~~Bill was introduced by Senator Waddington and Assemblyman Ozzard on May 1, 1967. It was passed by the Senate on May 8 and by the Assembly on May 8. It was approved by the Governor on October 30, 1967.~~

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Two of the bills introduced before 1967 passed both houses and were conditionally vetoed by the Governor. They are:

Sen 40 (A713) 1964 - Ozzard and Marasiti.
No statement.
Not amended during passage.
Bill and Governor's Conditional Veto message enclosed.

S81 - 1965 - Ozzard et al.
No statement.
Bill was amended in the Senate.
Bill, Amendment and Governor's Veto message enclosed.

In 1968 both Houses created a Joint Ethical Standards Committee.

In 1969 the Senate adopted, Senate Rule C dealing with the duties of the Ethical Standards Committee (encl.)

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No statement on
1971c359

L.1971 - chap.182 - S825.
Apr.30, 1970 - Introduced by Marasiti et al.
Bill (enclosed) had no statement.
Apr.19, 1971 - Passed Senate amended (encl.)
May 10 - Passed Assembly, amended (encl.)
May 10 - Assembly amendment passed Senate.
June 2 - Approved.
Governor's Remarks and Press release enclosed.

Governors' messages

attached {
974.901 Hughes, Richard J.
G52 First Annual Message. 1963 p.39.
Second Annual Message. 1964 p.38.
Third Annual Message. 1965 p.72.
Sixth Annual Message. 1968 p.58.
Seventh Annual Message. 1969 p.57.
Eighth Annual Message. 1970 p.6.

974.901 Cahill, William T.
G52 First Annual Message. 1971 p.54

Hearings, Reports

974.90 N.J. Legislature. Special Committee to Investigate
I62 Certain Allegations...
1968a ...Transcript of hearings...1968-1969.

974.90 Statement of William J. Brennan III...
I62 December 30, 1968.
1968

974.90 Selecky, John A
I62 Statement of dissent....
1969a

974.90 Report...January 14, 1969
I62
1969

missing
11/75

NJ
TB36
P9
N548

New Jersey Bar Association. Conflict of
Interests Committee.

Report. March, 1969
J350.995 B223

974.90 Public hearing held March 20, 1969
L514
1969g

974.90 New Jersey Legislature. Conflicts of Interest
L514 and Code of Ethics Study Commission.
1969a

Report... April 1, 1969

Letters, Clippings

League of Women Voters Camden County. Letter... Apr.21, 1971

League of Women Voters of New Jersey. Legislative Memo...
April 12, 1971

League of Women Voters of New Jersey. Legislative Roundup
Vol. 4 no.1, Jan. 1971, p.3

Hopes seem brighter for Income
Disclosure.

Trenton Times 3/7/70

Offices may be required to reveal
income, assets

NSL 3/24/70

Conflicts Bill: Maraziti wants
New Jersey to police itself.

NSL 6/7/70

Gives priority to Ethnics Bill

C.P. 8/13/70

Don't water down my Conflict of
Interests Bill, Cahill Asks

Sunday Record 10/4/70

Assembly chief sees snag in
Conflicts Bill

C.P. 4/13/70

Cahill Conflict Bill a Thorn to
Legislators

Record 9/18/70

Conflict Law Foes Blocked

TET 10/6/70

Still No Conflict Bill

NEN 2/21/70

Conflicts Bill fails in Caucus	NEN	3/19/71
Conflicts Inaction Deplored	NEN	2/17/71
Where the Bodies are Buried	Record	3/25/71
Assembly sent bill on Conflict	APP	4/20/71
Conflicts Bill Set For Vote	NEN	4/4/71
Conflicts Bill May Get Full Disclosure Proviso	NSL	11/25/71
Assembly Panel Clears Conflicts Bill for Final Vote	NSL	4/30/71
Conflict Bill Gets Nod From Cahill	Record	/6/71
Interest Conflict Bill Due for New Effort	NEN	5/7/71
Tough Conflicts Bill Wins Final Legislative Approval	NSL	5/11/71
Conflicts: Lawyer-Law Makers Must Pick Between Office, income	SL	5/30/71

HP/EH
Encl.

CHAPTER 227 LAWS OF N. J. 1967

APPROVED 10-30-67
[OFFICIAL COPY REPRINT]

SENATE, No. 493

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1967

By Senators WADDINGTON and OZZARD

(Without Reference)

AN ACT regulating the conduct of State officers and employees and members of the Legislature and providing penalties for the violations thereof.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known and may be cited as the "New Jersey
2 Conflicts of Interests Law."

1 2. No State officer or employee or member of the Legislature
2 shall accept from any person any gift, favor or service having
3 value which is offered to him with intent to influence him in the
4 performance of his public duties and responsibilities.

1 3. No State officer or employee shall engage in any business
2 activity with the State of New Jersey or shall represent, directly
3 or indirectly, for purposes of financial gain, any person **whose*
4 *interests are adverse to the interests of the State of New Jersey**
5 before any State agency, unless he has applied to the head of his
6 State agency and received a written statement of permission to
6A engage in such activity or representation.

7 The head of the State agency may impose such limitations or
8 restrictions upon the granting of such permission as he shall deem
9 necessary to preclude any conflict with the activities of his agency
10 or any other State agency.

11 A copy of such statement of permission by the head of the State
12 agency together with said officer's or employee's written statement
13 of such business activity or representation, setting forth the name
14 of the State agency, the name and address of the business or per-
15 son represented and the nature of the activity before the State
16 agency and his connection therewith shall be filed in the Secretary
17 of State's office and shall be a public record.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 4. No member of the Legislature shall engage in any business
 2 activity with the State of New Jersey or shall represent, directly
 3 or indirectly, for purposes of financial gain, any person **whose*
 4 *interests are adverse to the interests of the State of New Jersey**
 5 before any State agency unless he shall have first filed with the
 6 Clerk of the General Assembly or the Secretary of the Senate, as
 7 the case may be, a written statement of such business activity or
 8 representation, setting forth the name of the State agency, the
 9 name and address of the business or person represented and the
 10 nature of the activity before the State agency and his connection
 11 therewith. Such a statement shall be a public record.

1 5. (a) The Executive Commission on Ethical Standards, as to
 2 State officers and employees in the Executive Branch of State
 3 Government, and the Joint Legislative Committee on Ethical
 4 Standards, as to members of the Legislature and State officers and
 5 employees in the Legislative Branch of State Government, shall
 6 have jurisdiction to initiate, receive, hear and review complaints
 7 regarding violations of this act. Any State officer or employee or
 8 member of the Legislature who shall be found guilty by the com-
 9 mission or the joint committee, as the case may be, of violating
 10 the provisions of this act shall be fined not less than \$100.00 nor
 11 more than \$500.00. Such penalty may be collected in a summary
 12 proceeding pursuant to the Penalty Enforcement Law (N. J. S.
 13 2A:58-1).

14 (b) In the case of a State officer or employee, the commission
 15 or the joint committee, as the case may be, may order any such
 16 person found guilty suspended from his office or employment for
 17 a period not in excess of 1 year. If the commission or the joint
 18 committee shall find that the conduct of such officer or employee
 19 represents a willful and continuous disregard of the provisions
 20 of this act, the commission or the joint committee may order such
 21 person removed from his office or employment and may further
 22 bar such person from public employment in this State in any ca-
 23 pacity whatsoever for a period not in excess of 5 years from the
 24 date he was found guilty by the commission or the joint committee.

25 (c) In the case of a member of the Legislature, the joint com-
 26 mittee shall report its findings to the House of the Legislature in
 27 ~~which such person shall be a member and shall recommend to such~~
 28 ~~House such further action, as in its opinion, shall be appropriate~~
 29 ~~under the circumstances. It shall be the sole responsibility of such~~
 30 ~~House of the Legislature to determine what further action, if any,~~
 31 shall be taken against such member.

1 6. There is hereby established in the Executive Branch of the
 2 State Government an Executive Commission on Ethical Standards
 3 to be composed of 7 members, appointed by the Governor from
 4 among State officers and employees serving in the Executive
 5 Branch. Each member shall serve at the pleasure of the Governor
 6 during his term of office and until the appointment and qualification
 7 of the member's successor. The Governor shall designate from
 8 among his appointees one member to serve as chairman and one
 9 member to serve as vice-chairman of the commission.

1 7. The Executive Commission on Ethical Standards, in order to
 2 perform its duties pursuant to the provisions of this act, shall have
 3 the power to conduct investigations, hold hearings, compel the
 4 attendance of witnesses and the production before it of such books
 5 and papers as it may deem necessary, proper and relevant to the
 6 matter under investigation, and, in addition to any power con-
 7 ferred by this act, shall have power to render advisory opinions
 8 as to whether a given set of facts and circumstances would, in
 9 its opinion, constitute a violation of the provisions of this act. The
 10 members of the commission and the persons appointed by the com-
 11 mission for such purpose are hereby empowered to administer oaths
 12 and examine witnesses under oath.

1 8. (a) Within the limits of available appropriations, the Execu-
 2 tive Commission on Ethical Standards, subject to the approval of
 3 the Governor, may employ counsel and other professional personnel
 4 and employees; fix their compensation and assign their duties and
 5 responsibilities.

6 (b) The Executive Commission on Ethical Standards shall adopt
 7 such rules and regulations as shall be necessary to implement the
 8 provisions of this act applicable to officers and employees in the
 9 Executive Branch.

1 9. There is hereby established in the Legislative Branch of the
 2 State Government a Joint Legislative Committee on Ethical Stand-
 3 ards to be composed of 4 members of the Senate, appointed annually
 4 by the President of the Senate and 4 members of the General
 5 Assembly, appointed annually by the Speaker of the General
 6 Assembly, no more than 2 of the appointees of the President and
 7 Speaker, respectively, shall be members of the same political party.
 8 The joint committee shall organize annually by the selection of
 9 a chairman and vice-chairman from among its membership and the
 10 appointment of a secretary who need not be a member of the
 11 committee.

1 10. (a) The Joint Legislative Committee on Ethical Standards
 2 shall have all the powers of a joint committee of the Legislature
 3 pursuant to the provisions of chapter 13 of Title 52 of the Revised
 4 Statutes, and, in addition to any other power conferred by this
 5 act, shall have power to render advisory opinions as to whether a
 6 given set of facts and circumstances would, in its opinion, con-
 7 stitute a violation of the provisions of this act.

8 (b) The Joint Legislative Committee on Ethical Standards shall
 9 adopt such rules and regulations as shall be necessary to imple-
 10 ment the provisions of this act applicable to members of the
 11 Legislature and State officers and employees in the Legislative
 12 Branch.

1 11. (a) "State agency" means any of the principal departments
 2 in the Executive Branch of the State Government, and any divi-
 3 sion, board, bureau, commission or other instrumentality within
 4 such department, the Legislature of the State and any office, board,
 5 bureau or commission in the Legislative Branch, and any inde-
 6 pendent State authority, commission, instrumentality or agency.

7 (b) "State officer or employee" means any person, other than
 8 a member of the Legislature, holding an office, position or employ-
 9 ment in a State agency.

10 (c) "Member of the Legislature" means any person elected to
 11 serve in the General Assembly or the Senate.

12 (d) "Head of a State agency" means (1) in the case of the
 13 Executive Branch of government, the department head or, if the
 14 agency is not assigned to a department, the Governor, and (2) in
 15 the case of the Legislative Branch, (i) the President of the Senate,
 16 as to employees of the Senate or of any standing or special com-
 17 mittee thereof, (ii) the Speaker of the General Assembly, as to
 18 employees of the General Assmby or of any standing or special
 19 committee thereof, (iii) the Chairman of the Law Revision and
 20 Legislative Services Commission as to officers and employees under
 21 the supervision and control of the Law Revision and Legislative
 22 Services Commission, (iv) the State Auditor as to officers and em-
 23 ployees in the office of the State Auditor, and (v) the Chairman
 24 of the Joint Legislative Committee on Ethical Standards as to
 25 officers and employees of any other legislative commission, joint
 26 committee or agency.

27 (e) "Business activity" means the negotiation of or entering
 28 into a contract or agreement with the State or any State agency
 29 (1) for the sale or purchase of any property, real or personal,
 30 materials, equipment, supplles or services, or (2) for the construc-

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31 tion, alteration or repair of any public buildings, works or facilities
32 and shall include any work or activity necessary to carry out such
33 a contract or agreement. The purchase or attempt to purchase
34 any property, real or personal, from the State or any State agency
35 shall not constitute business activity if such property is offered for
36 sale based upon the submission of sealed bids.

1 ***[12.** If the provisions of this act which vest jurisdiction to hear
2 complaints in the Executive Commission on Ethical Standards or
3 the Joint Legislative Committee on Ethical Standards shall be
4 declared unconstitutional, such jurisdiction shall be vested in the
5 Superior Court and any penalties imposed shall be collected in a
6 proceeding before such court.]*

1 ***[13.]** *12.* This act shall take effect immediately.

SENATE, No. 493

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1967

By Senators WADDINGTON and OZZARD

(Without Reference)

AN ACT regulating the conduct of State officers and employees and members of the Legislature and providing penalties for the violations thereof.

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3 value which is offered to him with intent to influence him in the
4 performance of his public duties and responsibilities.

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2 activity with the State of New Jersey or shall represent, directly
3 or indirectly, for purposes of financial gain, any person before
4 any State agency, unless he has applied to the head of his State
5 agency and received a written statement of permission to engage
6 in such activity or representation.

7 The head of the State agency may impose such limitations or
8 restrictions upon the granting of such permission as he shall deem
9 necessary to preclude any conflict with the activities of his agency
10 or any other State agency.

11 A copy of such statement of permission by the head of the State
12 agency together with said officer's or employee's written statement
13 of such business activity or representation, setting forth the name
14 of the State agency, the name and address of the business or per-
15 son represented and the nature of the activity before the State
16 agency and his connection therewith shall be filed in the Secretary
17 of State's office and shall be a public record.

1 4. No member of the Legislature shall engage in any business
2 activity with the State of New Jersey or shall represent, directly
3 or indirectly, for purposes of financial gain, any person before

4 any State agency unless he shall have first filed with the Clerk of
5 the General Assembly or the Secretary of the Senate, as the case
6 may be, a written statement of such business activity or repre-
7 sentation, setting forth the name of the State agency, the name
8 and address of the business or person represented and the nature
9 of the activity before the State agency and his connection there-
10 with. Such a statement shall be a public record.

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3 Government, and the Joint Legislative Committee on Ethical
4 Standards, as to members of the Legislature and State officers and
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6 have jurisdiction to initiate, receive, hear and review complaints
7 regarding violations of this act. Any State officer or employee or
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9 mission or the joint committee, as the case may be, of violating
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11 more than \$500.00. Such penalty may be collected in a summary
12 proceeding pursuant to the Penalty Enforcement Law (N. J. S.
13 2A:58-1).

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15 or the joint committee, as the case may be, may order any such
16 person found guilty suspended from his office or employment for
17 a period not in excess of 1 year. If the commission or the joint
18 committee shall find that the conduct of such officer or employee
19 represents a willful and continuous disregard of the provisions
20 of this act, the commission or the joint committee may order such
21 person removed from his office or employment and may further
22 bar such person from public employment in this State in any ca-
23 pacity whatsoever for a period not in excess of 5 years from the
24 date he was found guilty by the commission or the joint committee.

25 (c) In the case of a member of the Legislature, the joint com-
26 mittee shall report its findings to the House of the Legislature in
27 which such person shall be a member and shall recommend to such
28 House such further action, as in its opinion, shall be appropriate
29 under the circumstances. It shall be the sole responsibility of such
30 House of the Legislature to determine what further action, if any,
31 shall be taken against such member.

1 6. There is hereby established in the Executive Branch of the
2 State Government an Executive Commission on Ethical Standards
3 to be composed of 7 members, appointed by the Governor from
4 among State officers and employees serving in the Executive

5 Branch. Each member shall serve at the pleasure of the Governor
6 during his term of office and until the appointment and qualification
7 of the member's successor. The Governor shall designate from
8 among his appointees one member to serve as chairman and one
9 member to serve as vice-chairman of the commission.

1 7. The Executive Commission on Ethical Standards, in order to
2 perform its duties pursuant to the provisions of this act, shall have
3 the power to conduct investigations, hold hearings, compel the
4 attendance of witnesses and the production before it of such books
5 and papers as it may deem necessary, proper and relevant to the
6 matter under investigation, and, in addition to any power con-
7 ferred by this act, shall have power to render advisory opinions
8 as to whether a given set of facts and circumstances would, in
9 its opinion, constitute a violation of the provisions of this act. The
10 members of the commission and the persons appointed by the com-
11 mission for such purpose are hereby empowered to administer oaths
12 and examine witnesses under oath.

1 8. (a) Within the limits of available appropriations, the Execu-
2 tive Commission on Ethical Standards, subject to the approval of
3 the Governor, may employ counsel and other professional personnel
4 and employees, fix their compensation and assign their duties and
5 responsibilities.

6 (b) The Executive Commission on Ethical Standards shall adopt
7 such rules and regulations as shall be necessary to implement the
8 provisions of this act applicable to officers and employees in the
9 Executive Branch.

1 9. There is hereby established in the Legislative Branch of the
2 State Government a Joint Legislative Committee on Ethical Stand-
3 ards to be composed of 4 members of the Senate, appointed annually
4 by the President of the Senate and 4 members of the General
5 Assembly, appointed annually by the Speaker of the General
6 Assembly, no more than 2 of the appointees of the President and
7 Speaker, respectively, shall be members of the same political party.
8 The joint committee shall organize annually by the selection of
9 a chairman and vice-chairman from among its membership and the
10 appointment of a secretary who need not be a member of the
11 committee.

1 10. (a) The Joint Legislative Committee on Ethical Standards
2 shall have all the powers of a joint committee of the Legislature
3 pursuant to the provisions of chapter 13 of Title 52 of the Revised
4 Statutes, and, in addition to any other power conferred by this
5 act, shall have power to render advisory opinions as to whether a

6 given set of facts and circumstances would, in its opinion, con-
7 stitute a violation of the provisions of this act.

8 (b) The Joint Legislative Committee on Ethical Standards shall
9 adopt such rules and regulations as shall be necessary to imple-
10 ment the provisions of this act applicable to members of the
11 Legislature and State officers and employees in the Legislative
12 Branch.

1 11. (a) "State agency" means any of the principal departments
2 in the Executive Branch of the State Government, and any divi-
3 sion, board, bureau, commission or other instrumentality within
4 such department, the Legislature of the State and any office, board,
5 bureau or commission in the Legislative Branch, and any inde-
6 pendent State authority, commission, instrumentality or agency.

7 (b) "State officer or employee" means any person, other than
8 a member of the Legislature, holding an office, position or employ-
9 ment in a State agency.

10 (c) "Member of the Legislature" means any person elected to
11 serve in the General Assembly or the Senate.

12 (d) "Head of a State agency" means (1) in the case of the
13 Executive Branch of government, the department head or, if the
14 agency is not assigned to a department, the Governor, and (2) in
15 the case of the Legislative Branch, (i) the President of the Senate,
16 as to employees of the Senate or of any standing or special com-
17 mittee thereof, (ii) the Speaker of the General Assembly, as to
18 employees of the General Assmbly or of any standing or special
19 committee thereof, (iii) the Chairman of the Law Revision and
20 Legislative Services Commission as to officers and employees under
21 the supervision and control of the Law Revision and Legislative
22 Services Commission, (iv) the State Auditor as to officers and em-
23 ployees in the office of the State Auditor, and (v) the Chairman
24 of the Joint Legislative Committee on Ethical Standards as to
25 officers and employees of any other legislative commission, joint
26 committee or agency.

27 (e) "Business activity" means the negotiation of or entering
28 into a contract or agreement with the State or any State agency
29 (1) for the sale or purchase of any property, real or personal,
30 materials, equipment, supplies or services, or (2) for the construc-
31 tion, alteration or repair of any public buildings, works or facilities
32 and shall include any work or activity necessary to carry out such
33 a contract or agreement. The purchase or attempt to purchase
34 any property, real or personal, from the State or any State agency
35 shall not constitute business activity if such property is offered for
36 sale based upon the submission of sealed bids.

1 12. If the provisions of this act which vest jurisdiction to hear
 2 complaints in the Executive Commission on Ethical Standards or
 3 the Joint Legislative Committee on Ethical Standards shall be
 4 declared unconstitutional, such jurisdiction shall be vested in the
 5 Superior Court and any penalties imposed shall be collected in a
 6 proceeding before such court.

1 13. This act shall take effect immediately.

SENATE AMENDMENTS TO

SENATE, No. 493

STATE OF NEW JERSEY

ADOPTED MAY 8, 1967

Amend page 1, section 3, line 3, after the word "person", insert "whose interests are adverse to the interests of the State of New Jersey".

Amend page 1, section 4, line 3, after the word "person", insert "whose interests are adverse to the interests of the State of New Jersey".

Amend page 5, section 12, lines 1-6, delete section 12 in its entirety.

Amend page 5, section 13, line 1, delete "Section 13", and insert in lieu thereof "Section 12".

Today, I signed into law Senate Bill No. 493, the New Jersey Conflicts of Interest Law. This measure, passed under the bi-partisan sponsorship of Senator Waddington and Senator Ozzard represents a significant, although not perfect, response by the Legislature to the vital and continuing public need for legislation to guard against conflicts between the public duties and private interests of members, officers and employees of the executive and legislative branches of government. Because of my prior actions in conditionally returning Senate Bill No. 40 of 1964 and Senate Bill No. 81 of 1965 and because of the current, but mistaken, belief that Senate Bill No. 493 is but a carbon copy of those earlier measures, I believe it necessary to explain the action which I have taken in some detail.

Those familiar with the lengthy and sometimes turbulent history of efforts in this State to enact a conflicts of interest law know that there have been four separate and distinct approaches suggested to the problem:

- A Code of Conduct, violation of which would invoke criminal sanctions
- A Code of Conduct supervised by an impartial agency such as the State House Commission
- A disclosure act
- A Code of Conduct which, as it relates to legislators, would be exclusively supervised by the Legislature.

I have previously announced support for any one of the first three proposals as a meaningful step toward the establishment of a climate in which the public could rest assured that those elected or selected to do the work of government would do so with one thing in mind -- the public interest. I have stated in the strongest language which I then could muster my unalterable opposition to the fourth. My position has not changed.

When, on November 16, 1964, I returned Senate Bill No. 40 to the Senate without my approval for reconsideration, I noted that I would approve a measure containing criminal penalty provisions as a means by which an impartial investigation by an independent tribunal -- the judicial branch of government -- could be had of all charges of conflicts of interest. At the same time, I suggested that a satisfactory compromise between the harshness

of criminal sanctions and the illusion of self-policing would be to vest the State House Commission with jurisdiction to hear and determine complaints against legislators. But no one could mistake my objection to legislative self evaluation when I said:

"It would be unwise to vest in the Legislature the responsibility for enforcement of its code of conduct for another important reason. For good cause or not, public attention to the subject of conflicts of interest has been focused primarily upon the activities of the Legislature. In order to assure the confidence of our citizens in their government, it is imperative that no suspicion concerning the bona fides of the Legislature be given a basis for existence. In a society which derives its order from the consent of the governed, men in public office not only should do justice but also should satisfy the people that justice has in fact been done. If Senate Bill No. 40 were approved, it could increase rather than dispel public cynicism toward the Legislature. It is not difficult to forecast that the exoneration of an accused legislator by the membership of his House would be attended by suspicion that the charge was neither diligently investigated nor disposed of on its merits."

No one should mistake me now when I say that I would not have affixed my signature to Senate Bill No. 493 if I believed it to be repetitious of Senate Bill No. 40 or its successor, Senate Bill No. 81.

In point of fact, the measure which I have signed today is totally different in concept and design than either of the other bills which have been before me. It is not a code of ethics measure, rather it is a disclosure act. It does not purport to itemize all of the things which a legislator should not do, instead it tells him to make public everything which he does do when doing business with the State or representing persons before a State agency. Its efficacy, in the final analysis, does not depend upon governmental investigation but rather upon knowledge in the hands of the people, which knowledge can be translated into ballots. The force of public opinion and the threat of political reprisal would serve as a deterrent to those few who might otherwise seek to use their public position for private gain.

As early as January 1964, I made known my belief that the problem of conflicts of interest could be approached in a meaningful way through

the adoption of a disclosure law, when in my Second Annual Message

I said:

"During the past session a new approach to the subject has been proposed by Senator Waddington. His plan, unlike those which have preceded it, does not purport to establish any fixed standard of conduct. Nor does it rely upon the sanction of the criminal law for its efficacy. The Senator's proposal, while not specifying what constitutes permissible conduct, would require executive and legislative personnel to disclose those activities in which they are privately engaged to the extent that such activities relate to the operations of government. This bill leaves to the public the decision whether the actions of these governmental officials are sound and desirable. The Legislature should give serious attention to this proposal which may represent the means to the long-awaited agreement on a conflict of interest measure."

The measure which I commended to the Legislature in 1964, Senate Bill No. 303 (1963) is substantially like the measure which I have just signed into law.

At the outset, I indicated that Senate Bill No. 493 was not a perfect measure. Its outstanding imperfection can be found in the provision establishing a Joint Legislative Committee to hear complaints against legislators.

However, I am persuaded that the benefits to be derived from a disclosure law are such that I would sign as a first step even a measure lacking any channel of enforcement beyond the white glare of public opinion, for as I have said, assuring the public of its right to know and to judge is indeed a meaningful first step in providing the kind of controls so urgently needed.

In signing such a law, I would, of course, call upon the Legislature to adopt an effective supplementary enforcement procedure. I issue that same call in signing Senate Bill No. 493 today.

For more years than I care to remember, the New Jersey Legislature has failed in its efforts to pass meaningful conflicts of interest legislation and the people have wondered. The bill which I have signed today is a significant breakthrough upon which even more effective legislation can be premised. The passage of Senate Bill No. 493 is a more than modest accomplishment to be added to the already glittering record of the 190th New Jersey Legislature.

SENATE, No. 825

STATE OF NEW JERSEY

INTRODUCED APRIL 30, 1970

By Senators MARAZITI, SEARS, HAGEDORN, BATEMAN, COFFEE, GIULIANO, RINALDO, MATTURRI, WALDOR, DOWD, DELTUFO, WALLWORK, SCHOEM, SISCO, DUMONT, SCIRO, LACORTE, FORSYTHE, HIERING, GUARINI and SCHIAFFO

Referred to Committee on Judiciary

AN ACT for the more effectual regulation of the conduct of State officers and employees and members of the Legislature, repealing the "New Jersey Conflicts of Interest Law" (P. L. 1967, c. 229), and supplementing Title 52 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature finds and declares:

2 (a) In our democratic form of government, it is essential that
3 the conduct of public officials and employees shall hold the respect
4 and confidence of the people. Public officials must, therefore, avoid
5 conduct which is in violation of their public trust or which creates
6 a justifiable impression among the public that such trust is being
7 violated.

8 (b) To ensure propriety and preserve public confidence, persons
9 serving in government should have the benefit of specific standards
10 to guide their conduct and of some disciplinary mechanism to
11 ensure the uniform maintenance of those standards amongst them.
12 Some standards of this type may be enacted as general statutory
13 prohibitions or requirements; others, because of complexity and
14 variety of circumstances, are best left to the governance of codes
15 of ethics formulated to meet the specific needs and conditions of
16 the several agencies of government.

17 (c) It is also recognized that under a free government it is both
18 necessary and desirable that all citizens, public officials included,
19 should have certain specific interests in the decisions of govern-

20 ment, and that the activities and conduct of public officials should
21 not, therefore, be unduly circumscribed.

1 2. As used in this act, and unless a different meaning clearly
2 appears from the context, the following terms shall have the follow-
3 ing meaning:

4 (a) "State agency" means any of the principal departments in
5 the Executive Branch of the State Government, and any division,
6 board, bureau, office, commission or other instrumentality within
7 or created by such department, the Legislature of the State and any
8 office, board, bureau or commission within or created by the Legis-
9 lative Branch, and any independent State authority, commission,
10 instrumentality or agency. A county or municipality shall not be
11 deemed an agency or instrumentality of the State.

12 (b) "State officer or employee" means any person, other than
13 a member of the Legislature, holding an office or employment in a
14 State agency, excluding special State officers or employees as
15 defined in subsection (e) of this section.

16 (c) "Member of the Legislature" means any person elected to
17 serve in the General Assembly or the Senate.

18 (d) "Head of a State agency" means (1) in the case of the
19 Executive Branch of government, the department head or, if the
20 agency is not assigned to a department, the Governor, and (2) in
21 the case of the Legislative Branch, the chief presiding officer of
22 each house of the Legislature.

23 (e) "Special State officer or employee" means any person hold-
24 ing an office or employment in a State agency, for which office or
25 employment (1) no compensation is authorized or provided by law,
26 or (2) no compensation other than a sum in reimbursement of
27 expenses, whether payable per diem or per annum, is authorized
28 or provided by law.

29 (f) "Person" means any natural person, association or
30 corporation.

1 3. No State officer or employee, special State officer or employee,
2 or member of the Legislature shall accept from any person, whether
3 directly or indirectly and whether by himself or through his spouse
4 or any member of his family or through any partner or associate,
5 any gift, favor, service, employment or offer of employment or
6 any other thing of value which he knows or has reason to believe
7 is offered to him with intent to influence him in the performance
8 of his public duties and responsibilities.

1 4. No member of the Legislature or State officer or employee
2 shall represent, appear for, or negotiate on behalf of, or agree to
3 represent, appear for, or negotiate on behalf of, whether by himself

4 or by or through any partnership, firm or corporation in which he
5 has an interest or by any partner, officer or employee of any such
6 partnership, firm or corporation any person or party other than
7 the State in any negotiations for the acquisition or sale by the
8 State or a State agency of any interest in real or tangible or in-
9 tangible personal property, or in any proceedings relative to such
10 acquisition or sale before a condemnation commission or court;
11 provided, however, nothing contained in this section shall be deemed
12 to prohibit any person from representing himself in negotiations
13 or proceedings concerning his own interest in real property.

1 5. (a) No special State officer or employee, nor any partnership,
2 firm or corporation in which he has an interest, nor any partner,
3 officer or employee of any such partnership, firm or corporation,
4 shall represent, appear for, or negotiate on behalf of, or agree to
5 represent, appear for, or negotiate on behalf of, any person or
6 party other than the State in connection with any cause, proceed-
7 ing, application or other matter pending before the State agency
8 in which such special State officer or employee holds office or
9 employment.

10 (b) No State officer or employee or member of the Legislature,
11 nor any partnership, firm or corporation in which he has an interest,
12 nor any partner, officer or employee of any such partnership, firm
13 or corporation, shall represent, appear for, or negotiate on behalf
14 of, or agree to represent, appear for, or negotiate on behalf of, any
15 person or party other than the State in connection with any cause,
16 proceeding, application or other matter pending or likely to be
17 pending before any State agency; provided, however, this sub-
18 section shall not be deemed to prohibit a member of the Legislature
19 from making an inquiry for information on behalf of a constituent,
20 if no fee, reward or other thing of value is promised to, given to or
21 accepted by the member of the Legislature, whether directly or
22 indirectly.

23 (c) Nothing contained in this section shall be deemed to prohibit
24 any legislator, or any State officer or employee or special State
25 officer or employee from representing, appearing for or negotiating
26 on behalf of, or agreeing to represent, appear for, or negotiate on
27 behalf of, any person or party other than the State in connection
28 with any proceeding pending before any court of record of this
29 State, any proceeding in regard to a claim for compensation
30 arising under chapter 15 of Title 34 of the Revised Statutes (Work-
31 men's Compensation), any proceeding in connection with the de-
32 termination or review of transfer inheritance or estate taxes, any
33 proceeding before the Division of Tax Appeals, any proceeding in

34 connection with the filing of corporate or other documents in the
35 office of the Secretary of State or any nonadversary proceeding
36 on behalf of a county, municipality or school district, provided he
37 is not holding any office or employment in the State agency in which
38 any such proceeding is pending.

1 6. No State officer or employee or special State officer or em-
2 ployee, subsequent to the termination of his office or employment
3 in any State agency, shall represent, appear for or negotiate on
4 behalf of, or agree to represent, appear for, or negotiate on behalf
5 of, whether by himself or through any partnership, firm or corpora-
6 tion in which he has an interest or through any partner, officer or
7 employee thereof, any person or party other than the State in con-
8 nection with any cause, proceeding, application or other matter with
9 respect to which such State officer or employee or special State
10 officer or employee shall have made any investigation, rendered
11 any ruling, given any opinion, or been otherwise directly involved
12 at any time during the course of his office or employment. Any
13 person who willfully violates the provisions of this section is a
14 disorderly person, and shall be subject to a fine not to exceed
15 \$500.00 or imprisonment not to exceed 6 months, or both.

1 7. (a) No member of the Legislature shall participate, whether
2 directly or indirectly, by voting or any other action, on the floor of
3 the General Assembly or the Senate, or in committee or elsewhere,
4 in the enactment or defeat of legislation in which he has a personal
5 interest until he files with the Clerk of the General Assembly or the
6 Secretary of the Senate, as the case may be, a statement (which shall
7 be entered verbatim on the journal of the General Assembly or the
8 Senate) stating in substance that he has a personal interest in the
9 legislation and that notwithstanding such interest, he is able to
10 cast a fair and objective vote and otherwise participate in connec-
11 tion with such legislation.

12 (b) A member of the Legislature shall be deemed to have a per-
13 sonal interest in any legislation within the meaning of this section
14 if, by reason of his participation in the enactment or defeat of any
15 legislation, he has reason to believe that he will derive a direct
16 monetary gain or suffer a direct monetary loss. No member of the
17 Legislature shall be deemed to have a personal interest in any
18 legislation within the meaning of this section if, by reason of his
19 participation in the enactment or defeat of any legislation, no
20 benefit or detriment could reasonably be expected to accrue to him,
21 as a member of a business, profession, occupation or group, to any
22 greater extent than any such benefit or detriment could reasonably

23 be expected to accrue to any other member of such business, profes-
24 sion, occupation or group.

1 8. No member of the Legislature or State officer or employee
2 shall knowingly himself, or by his partners or through any corpo-
3 ration which he controls or in which he owns or controls more than
4 10% of the stock, or by any other person for his use or benefit or
5 on his account, undertake or execute, in whole or in part, any con-
6 tract, agreement, sale or purchase of the value of \$25.00 or more,
7 made, entered into, awarded or granted by any State agency, un-
8 less such contract, agreement, purchase or sale was made or let
9 after public notice and competitive bidding; provided, however, that
10 the provisions of this section shall not apply to (a) purchases,
11 contracts or agreements for equipment, supplies or services which
12 pursuant to section 5 of chapter 48 of the laws of 1944 (C. 52:34-10),
13 may be made, negotiated or awarded without public advertising
14 or bids, or (b) any contract of insurance entered into by the Director
15 of the Division of Purchase and Property pursuant to section 10
16 of article 6 of chapter 112 of the laws of 1944 (C. 52:27B-62), if
17 such purchases, contracts or agreements shall receive prior ap-
18 proval of the Joint Legislative Committee on Ethical Standards
19 if a member of the Legislature or State officer or employee in the
20 Legislative Branch has an interest therein which would otherwise
21 be forbidden by this section, or the Executive Commission on
22 Ethical Standards if a State officer or employee in the Executive
23 Branch has an interest therein which would otherwise be forbidden
24 by this section.

1 9. No member of the Legislature or State officer or employee or
2 special State officer or employee shall act as officer or agent for a
3 State agency for the transaction of any business with himself or
4 with a corporation, company, association or firm in the pecuniary
5 profits of which he has an interest (except that ownership or con-
6 trol of 10% or less of the stock of a corporation shall not be deemed
7 an interest within the meaning of this section).

1 10. (a) The Executive Commission on Ethical Standards
2 created pursuant to P. L. 1967, chapter 229 is continued and estab-
3 lished in the Department of Law and Public Safety and shall con-
4 stitute the first commission under this act.

5 (b) The commission shall be composed of seven members ap-
6 pointed by the Governor from among State officers and employees
7 serving in the Executive Branch. Each member shall serve at the
8 pleasure of the Governor during the term of office of the Governor
9 appointing him and until his successor is appointed and qualified.

10 The Governor shall designate one member to serve as chairman and
11 one member to serve as vice-chairman of the commission.

12 (c) Each member of the said commission shall serve without
13 compensation but shall be entitled to be reimbursed for all actual
14 and necessary expenses incurred in the performance of his duties.

15 (d) The Attorney General shall act as legal adviser and counsel
16 to the said commission. He shall upon request advise the commis-
17 sion in the rendering of advisory opinions by the commission, in
18 the approval and review of codes of ethics adopted by State
19 agencies in the Executive Branch and in the recommendation of
20 revisions in codes of ethics or legislation relating to the conduct
21 of State officers and employees in the Executive Branch.

22 (e) The said commission may, within the limits of funds appro-
23 priated or otherwise made available to it for the purpose, employ
24 such other professional, technical, clerical or other assistants, ex-
25 cepting legal counsel, and incur such expenses as may be necessary
26 for the performance of its duties.

27 (f) The said commission, in order to perform its duties pursuant
28 to the provisions of this act, shall have the power to conduct investi-
29 gations, hold hearings, compel the attendance of witnesses and the
30 production before it of such books and papers as it may deem
31 necessary, proper and relevant to the matter under investigation.
32 The members of the said commission and the persons appointed
33 by the commission for such purpose are hereby empowered to
34 administer oaths and examine witnesses under oath.

35 (g) The said commission is authorized to render advisory
36 opinions as to whether a given set of facts and circumstances would,
37 in its opinion, constitute a violation of the provisions of this act or
38 of a code of ethics promulgated pursuant to the provisions of
39 this act.

40 (h) The said commission shall have jurisdiction to initiate,
41 receive, hear and review complaints regarding violations, by any
42 State officer or employee or special State officer or employee in the
43 Executive Branch, of the provisions of this act or of any code of
44 ethics promulgated pursuant to the provisions of this act. Any
45 complaint regarding a violation of a code of ethics may be referred
46 by the commission for disposition in accordance with subsection
47 12 (d) of this act.

48 (i) Any State officer or employee or special State officer or em-
49 ployee found guilty by the commission of violation any provision
50 of this act or of a code of ethics promulgated pursuant to the pro-
51 visions of this act shall be fined not less than \$100.00 nor more than

52 \$500.00, which penalty may be collected in a summary proceeding
53 pursuant to the Penalty Enforcement Law (N. J. S. A. 2A :58-1),
54 and may be suspended from his office or employment by order of
55 the commission for a period of not in excess of 1 year. If the com-
56 mission finds that the conduct of such officer or employee constitutes
57 a willful and continuous disregard of the provisions of this act
58 or of a code of ethics promulgated pursuant to the provisions of
59 this act, it may order such person removed from his office or em-
60 ployment and may further bar such person from holding any public
61 office or employment in this State in any capacity whatsoever for
62 a period of not exceeding 5 years from the date on which he was
63 found guilty by the commission.

1 11. (a) The Joint Legislative Committee on Ethical Standards
2 created pursuant to the provisions of P. L. 1967, chapter 229 is con-
3 tinued and established in the Legislative Branch of State Govern-
4 ment and shall constitute the first joint committee under this act.

5 (b) The joint committee shall be composed of four members of
6 the Senate appointed by the President thereof, no more than two
7 of whom shall be of the same political party, and four members of
8 the General Assembly, appointed by the Speaker thereof, no more
9 than two of whom shall be of the same political party. The members
10 of the said joint committee shall be appointed annually, as soon as
11 may be after the commencement of the legislative year, to serve
12 during the legislative year.

13 (c) The said joint committee shall organize annually, as soon
14 as may be after the appointment of its members, by the selection of
15 a chairman and vice chairman from among its membership and the
16 appointment of a secretary who need not be a member of the joint
17 committee.

18 (d) The Chief Counsel of the Law Revision and Legislative Ser-
19 vices Commission shall act as legal adviser to the said joint com-
20 mittee. He shall, upon request, assist and advise the joint committee
21 in the rendering of advisory opinions by the joint committee, in the
22 approval and review of codes of ethics adopted by State agencies in
23 the Legislative Branch, and in the recommendation of revisions in
24 codes of ethics or legislation relating to the conduct of members of
25 the Legislature or State officers and employees in the Legislative
26 Branch.

27 (e) The said joint committee may, within the limits of funds
28 appropriated or otherwise available to it for the purpose, employ
29 such other professional, technical, clerical or other assistants, ex-
30 cepting legal counsel, and incur such expenses as may be necessary
31 to performance of its duties.

32-33 (f) The said joint committee shall have all the powers granted
34 pursuant to chapter 13 of Title 52 of the Revised Statutes.

35 (g) The said joint committee is authorized to render advisory
36 opinions as to whether a given set of facts and circumstances would,
37 in its opinion, constitute a violation of the provisions of this act
38 or of a code of ethics promulgated pursuant to the provisions of this
39 act.

40 (h) The said joint committee shall have jurisdiction to initiate,
41 receive, hear and review complaints regarding violations of the
42 provisions of this act or of a code of ethics promulgated pursuant
43 to the provisions of this act. It shall further have such jurisdiction
44 as to enforcement of the rules of either House of the Legislature
45 governing the conduct of the members thereof as the rules of such
46 House may confer upon the joint committee. A complaint regarding
47 violation of a code of ethics promulgated pursuant to the provisions
48 of this act may be referred by the joint committee for disposition in
49 accordance with subsection 12 (d) of this act.

50 (i) Any State officer or employee or special State officer or em-
51 ployee in the Legislative Branch found guilty by the joint committee
52 of violating any provisions of this act or of a code of ethics promul-
53 gated pursuant to the provisions of this act shall be fined not less
54 than \$100.00 nor more than \$500.00, which penalty may be collected
55 in a summary proceeding pursuant to the Penalty Enforcement
56 Law (N. J. S. 2A:58-1), and may be suspended from his office or
57 employment by order of the joint committee for a period not in
58 excess of 1 year. If the joint committee finds that the conduct of such
59 officer or employee constitutes a willful and continuous disregard
60 of the provisions of this act or of a code of ethics promulgated
61 pursuant to the provisions of this act, it may order such person
62 removed from his office or employment and may further bar such
63 person from holding any public office or employment in this State
64 in any capacity whatsoever for a period of not exceeding 5 years
65 from the date on which he was found guilty by the joint committee.

66 (j) A member of the Legislature who shall be found guilty by
67 the joint committee of violating the provisions of this act or of a
68 code of ethics promulgated pursuant to the provisions of this act
69 shall be fined not less than \$100.00 nor more than \$500.00, which
70 penalty may be collected in a summary proceeding pursuant to the
71 Penalty Enforcement Law (N. J. S. 2A:58-1), and shall be sub-
72 ject to such further action as may be determined by the House of
73 which he is a member. In such cases the joint committee shall re-
74 port its findings to the appropriate House and shall recommend to

75 the House such further action as the joint committee deems appro-
76 propriate, but it shall be the sole responsibility of the House to
77 determine what further action, if any, shall be taken against such
78 member.

1 12. (a) The head of each State agency, or the principal officer in
2 charge of a division, board, bureau, commission or other instru-
3 mentality within a department of State Government designated
4 by the head of such department for the purposes hereinafter set
5 forth, shall within 6 months from the date of enactment, promul-
6 gate a code of ethics to govern and guide the conduct of the
7 members of the Legislature or the State officers and employees in
8 the agency to which said code is applicable. Such code shall con-
9 form to the general standards hereinafter set forth in this section,
10 but it shall be formulated with respect to the particular needs and
11 problems of the agency to which said code is to apply.

12 (b) A code of ethics formulated pursuant to this section to govern
13 and guide the conduct of the State officers and employees in any
14 State agency in the Executive Branch, or any portion of such a
15 code, shall not be effective unless it has first been approved by the
16 Executive Commission on Ethical Standards. When a proposed
17 code is submitted to the said commission it shall be accompanied
18 by an opinion of the Attorney General as to its compliance with the
19 provisions of this act and any other applicable provision of law.
20 Nothing contained herein shall prevent officers of State agencies in
21 the Executive Branch from consulting with the Attorney General
22 or with the Executive Commission on Ethical Standards at any time
23 in connection with the preparation or revision of such codes of
24 ethics.

25 (c) A code of ethics formulated pursuant to this section to govern
26 and guide the conduct of the members of the Legislature and State
27 officers and employees in any State agency in the Legislative
28 Branch, or any portion of such code, shall not be effective unless
29 it has first been approved by the Joint Legislative Committee on
30 Ethical Standards. When a proposed code is submitted to the said
31 joint committee for approval it shall be accompanied by an opinion
32 of the chief counsel as to its compliance with the provisions of this
33 act and any other applicable provisions of law. Nothing contained
34 herein shall prevent officers of State agencies in the Legislative
35 Branch from consulting with the Chief Legislative Counsel or the
36 Joint Legislative Committee on Ethical Standards at any time in
37 connection with the preparation or revision of such codes of ethics.

38 (d) Violations of a code of ethics promulgated pursuant to this
39 section shall be cause for removal, suspension, demotion or other

40 disciplinary action by the State officer or agency having the power
41 of removal or discipline. When a person who is in the classified civil
42 service is charged with a violation of such a code of ethics, the
43 procedure leading to such removal or discipline shall be governed
44 by any applicable provisions of the Civil Service Law and the Rules
45 of the Department of Civil Service. No action for removal or dis-
46 cipline shall be taken under this subsection except upon the re-
47 ferral or with the approval of the Executive Commission on Ethical
48 Standards or the Joint Legislative Committee on Ethical Standards,
49 whichever is authorized to exercise jurisdiction with respect to the
50 complaint upon which such action for removal or discipline is to be
51 taken.

52 (e) A code of ethics for officers and employees of a State agency
53 shall conform to the following general standards:

54 (1) No State officer or employee should have any interest,
55 financial or otherwise, direct or indirect, or engage in any business
56 or transaction or professional activity, which is in substantial con-
57-59 flict with the proper discharge of his duties in the public interest.

60 (2) No State officer or employee should engage in any particular
61 business, profession, trade or occupation which is subject to licens-
62 ing or regulation by a specific agency of State Government without
63 promptly filing notice of such activity with the Executive Commis-
64 sion on Ethical Standards, if he is an officer or employee in the
65 Executive Branch, or with the Joint Legislative Committee on
66 Ethical Standards, if he is an officer or employee in the Legislative
67 Branch.

68 (3) No State officer or employee should use or attempt to use his
69 official position to secure unwarranted privileges or advantages
70 for himself or others.

71 (4) No State officer or employee should act in his official capacity
72 in any matter wherein he has a direct or indirect personal financial
73 interest that might reasonably be expected to impair his objectivity
74 or independence of judgment.

75 (5) No State officer or employee should undertake any employ-
76 ment or service, whether compensated or not, which might reason-
77 ably be expected to impair his objectivity and independence of judg-
78 ment in the exercise of his official duties.

79 (6) No State officer or employee should accept any gift, favor,
80 service or other thing of value under circumstances from which it
81 might be reasonably inferred: that such gift, service or other thing
82 of value was given or offered for the purpose of influencing him in
83 the discharge of his official duties.

84 (7) No State officer or employee should knowingly act in any way
 85 that might reasonably be expected to create an impression or sus-
 86 picion among the public having knowledge of his acts that he may
 87 be engaged in conduct violative of his trust as a State officer or em-
 88 ployee.

89 (8) Rules of conduct adopted pursuant to these principles should
 90 recognize that under our democratic form of government public
 91 officials and employees should be drawn from all of our society, that
 92 citizens who serve in government can not and should not be ex-
 93 pected to be without any personal interest in the decisions and
 94 policies of government; that citizens who are government officials
 95 and employees have a right to private interests of a personal,
 96 financial and economic nature; that standards of conduct should
 97 separate those conflicts of interest which are unavoidable in a free
 98 society from those conflicts of interest which are substantial and
 99 material, or which bring government into disrepute.

100 (f) The code of ethics for members of the Legislature shall
 101 conform to subsection (e) hereof as nearly as may be possible.

1 13. No State officer or employee, special State officer or employee,
 2 or member of the Legislature shall solicit, receive or agree to
 3 receive, whether directly or indirectly, any compensation, reward,
 4 employment, gift or other thing of value from any source other
 5 than the State of New Jersey, for any service, advice, assistance
 6 or other matter related to his official duties, except reasonable
 7 fees for speeches or published works on matters within his official
 8 duties and except, in connection therewith, reimbursement of actual
 9 expenditures for travel and reasonable subsistence for which no
 10 payment or reimbursement is made by the State of New Jersey.

1 14. No State officer or employee, special State officer or employee,
 2 or member of the Legislature shall willfully disclose to any person,
 3 whether or not for pecuniary gain, any information not generally
 4 available to members of the public which he receives or acquires
 5 in the course of and by reason of his official duties. No State officer
 6 or employee, special State officer or employee, or member of the
 7 Legislature shall use for the purpose of pecuniary gain, whether
 8 directly or indirectly, any information not generally available to
 9 members of the public which he receives or acquires in the course
 10 of and by reason of his official duties.

1 15. No person shall induce or attempt to induce any State officer
 2 or employee, special State officer or employee, or member of the
 3 Legislature to violate any provision of this act or any code of
 4 ethics promulgated thereunder. Any person who willfully violates

5 any provision of this section is a disorderly person, and shall be
6 subject to a fine not to exceed \$500.00 or imprisonment not to exceed
7 6 months, or both.

1 16. If any section, subsection, paragraph, sentence or other part
2 of this act is adjudged unconstitutional or invalid, such judgment
3 shall not affect, impair or invalidate the remainder of this act, but
4 shall be confined in its effect to the section, subsection, paragraph,
5 sentence or other part of this act directly involved in the con-
6 troversy in which said judgment shall have been rendered.

1 17. This act shall be known as, and may be cited as, the "New
2 Jersey Conflicts of Interest Law."

1 18. Nothing in this act shall be deemed to alter, limit, restrict,
2 enlarge or otherwise affect the rights or obligations of any State
3 officer or employee, special State officer or employee, or member of
4 the Legislature pursuant to any transaction entered into or agree-
5 ment made in good faith prior to the effective date of this act.

1 19. Chapter 229 of the laws of 1967 is repealed as of the effective
2 date of this act, but any rules, regulations and opinions of the
3 Executive Commission on Ethical Standards and the Joint Legis-
4 lative Committee on Ethical Standards made or issued pursuant
5 to said act shall remain in force and effect until superseded by
6 codes, rules, regulations or opinions made or issued pursuant to
7 this act.

1 20. This act shall take effect November 1, 1970.

SENATE COMMITTEE AMENDMENTS TO
SENATE, No. 825

STATE OF NEW JERSEY

ADOPTED APRIL 15, 1971

Amend page 3, section 5, lines 16 and 17, after "pending", omit "or likely to be pending".

Amend page 3, section 5, line 22, after "indirectly", insert "nor shall anything contained herein be deemed to prohibit any such partnership, firm or corporation from appearing on its own behalf".

Amend page 4, section 7, lines 1 and 2, after "participate", omit "whether directly or indirectly,".

Amend page 9, section 12, lines 29 and 30, after "the", omit "Joint Legislative Committee on Ethical Standards", insert "Legislature by concurrent resolution".

Amend page 9, section 12, lines 30 and 31, after "the", omit "said joint committee", insert "Legislature".

Amend page 12, section 20, line 1, omit "November 1, 1970", insert "January 11, 1972".

[OFFICIAL COPY REPRINT]

SENATE, No. 825

STATE OF NEW JERSEY

INTRODUCED APRIL 30, 1970

By Senators MARAZITI, SEARS, HAGEDORN, BATEMAN, COFFEE, GIULIANO, RINALDO, MATTURRI, WALDOR, DOWD, DELTUFO, WALLWORK, SCHOEM, SISCO, DUMONT, SCIRO, LACORTE, FORSYTHE, HIERING, GUARINI and SCHIAFFO

Referred to Committee on Judiciary

AN ACT for the more effectual regulation of the conduct of State officers and employees and members of the Legislature, repealing the "New Jersey Conflicts of Interest Law" (P. L. 1967, c. 229), and supplementing Title 52 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature finds and declares:

2 (a) In our democratic form of government, it is essential that
3 the conduct of public officials and employees shall hold the respect
4 and confidence of the people. Public officials must, therefore, avoid
5 conduct which is in violation of their public trust or which creates
6 a justifiable impression among the public that such trust is being
7 violated.

8 (b) To ensure propriety and preserve public confidence, persons
9 serving in government should have the benefit of specific standards
10 to guide their conduct and of some disciplinary mechanism to
11 ensure the uniform maintenance of those standards amongst them.
12 Some standards of this type may be enacted as general statutory
13 prohibitions or requirements; others, because of complexity and
14 variety of circumstances, are best left to the governance of codes
15 of ethics formulated to meet the specific needs and conditions of
16 the several agencies of government.

17 (c) It is also recognized that under a free government it is both
18 necessary and desirable that all citizens, public officials included,
19 should have certain specific interests in the decisions of govern-

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

20 ment, and that the activities and conduct of public officials should
21 not, therefore, be unduly circumscribed.

1 2. As used in this act, and unless a different meaning clearly
2 appears from the context, the following terms shall have the follow-
3 ing meaning:

4 (a) "State agency" means any of the principal departments in
5 the Executive Branch of the State Government, and any division,
6 board, bureau, office, commission or other instrumentality within
7 or created by such department, the Legislature of the State and any
8 office, board, bureau or commission within or created by the Legis-
9 lative Branch, and any independent State authority, commission,
10 instrumentality or agency. A county or municipality shall not be
11 deemed an agency or instrumentality of the State.

12 (b) "State officer or employee" means any person, other than
13 a member of the Legislature, holding an office or employment in a
14 State agency, excluding special State officers or employees as
15 defined in subsection (e) of this section.

16 (c) "Member of the Legislature" means any person elected to
17 serve in the General Assembly or the Senate.

18 (d) "Head of a State agency" means (1) in the case of the
19 Executive Branch of government, the department head or, if the
20 agency is not assigned to a department, the Governor, and (2) in
21 the case of the Legislative Branch, the chief presiding officer of
22 each house of the Legislature.

23 (e) "Special State officer or employee" means any person hold-
24 ing an office or employment in a State agency, for which office or
25 employment (1) no compensation is authorized or provided by law,
26 or (2) no compensation other than a sum in reimbursement of
27 expenses, whether payable per diem or per annum, is authorized
28 or provided by law.

29 (f) "Person" means any natural person, association or
30 corporation.

1 3. No State officer or employee, special State officer or employee,
2 or member of the Legislature shall accept from any person, whether
3 directly or indirectly and whether by himself or through his spouse
4 or any member of his family or through any partner or associate,
5 any gift, favor, service, employment or offer of employment or
6 any other thing of value which he knows or has reason to believe
7 is offered to him with intent to influence him in the performance
8 of his public duties and responsibilities.

1 4. No member of the Legislature or State officer or employee
2 shall represent, appear for, or negotiate on behalf of, or agree to
3 represent, appear for, or negotiate on behalf of, whether by himself

4 or by or through any partnership, firm or corporation in which he
 5 has an interest or by any partner, officer or employee of any such
 6 partnership, firm or corporation any person or party other than
 7 the State in any negotiations for the acquisition or sale by the
 8 State or a State agency of any interest in real or tangible or in-
 9 tangible personal property, or in any proceedings relative to such
 10 acquisition or sale before a condemnation commission or court;
 11 provided, however, nothing contained in this section shall be deemed
 12 to prohibit any person from representing himself in negotiations
 13 or proceedings concerning his own interest in real property.

1 5. (a) No special State officer or employee, nor any partnership,
 2 firm or corporation in which he has an interest, nor any partner,
 3 officer or employee of any such partnership, firm or corporation,
 4 shall represent, appear for, or negotiate on behalf of, or agree to
 5 represent, appear for, or negotiate on behalf of, any person or
 6 party other than the State in connection with any cause, proceed-
 7 ing, application or other matter pending before the State agency
 8 in which such special State officer or employee holds office or
 9 employment.

10 (b) No State officer or employee or member of the Legislature,
 11 nor any partnership, firm or corporation in which he has an interest,
 12 nor any partner, officer or employee of any such partnership, firm
 13 or corporation, shall represent, appear for, or negotiate on behalf
 14 of, or agree to represent, appear for, or negotiate on behalf of, any
 15 person or party other than the State in connection with any cause,
 16 proceeding, application or other matter pending *~~or likely to be~~
 17 ~~pending~~* before any State agency; provided, however, this sub-
 18 section shall not be deemed to prohibit a member of the Legislature
 19 from making an inquiry for information on behalf of a constituent,
 20 if no fee, reward or other thing of value is promised to, given to or
 21 accepted by the member of the Legislature, whether directly or
 22 indirectly **nor shall anything contained herein be deemed to pro-*
 22A *hibit any such partnership, firm or corporation from appearing on*
 22B *its own behalf*.*

23 (c) Nothing contained in this section shall be deemed to prohibit
 24 any legislator, or any State officer or employee or special State
 25 officer or employee from representing, appearing for or negotiating
 26 on behalf of, or agreeing to represent, appear for, or negotiate on
 27 behalf of, any person or party other than the State in connection
 28 with any proceeding pending before any court of record of this
 29 State, any proceeding in regard to a claim for compensation
 30 arising under chapter 15 of Title 34 of the Revised Statutes (Work-
 31 men's Compensation), any proceeding in connection with the de-

32 termination or review of transfer inheritance or estate taxes, any
33 proceeding before the Division of Tax Appeals, any proceeding in
34 connection with the filing of corporate or other documents in the
35 office of the Secretary of State or any nonadversary proceeding
36 on behalf of a county, municipality or school district, provided he
37 is not holding any office or employment in the State agency in which
38 any such proceeding is pending.

1 6. No State officer or employee or special State officer or em-
2 ployee, subsequent to the termination of his office or employment
3 in any State agency, shall represent, appear for or negotiate on
4 behalf of, or agree to represent, appear for, or negotiate on behalf
5 of, whether by himself or through any partnership, firm or corpora-
6 tion in which he has an interest or through any partner, officer or
7 employee thereof, any person or party other than the State in con-
8 nection with any cause, proceeding, application or other matter with
9 respect to which such State officer or employee or special State
10 officer or employee shall have made any investigation, rendered
11 any ruling, given any opinion, or been otherwise directly involved
12 at any time during the course of his office or employment. Any
13 person who willfully violates the provisions of this section is a
14 disorderly person, and shall be subject to a fine not to exceed
15 \$500.00 or imprisonment not to exceed 6 months, or both.

1 7. (a) No member of the Legislature shall participate***[**, whether
2 directly or indirectly,**]*** by voting or any other action, on the floor of
3 the General Assembly or the Senate, or in committee or elsewhere,
4 in the enactment or defeat of legislation in which he has a personal
5 interest until he files with the Clerk of the General Assembly or the
6 Secretary of the Senate, as the case may be, a statement (which shall
7 be entered verbatim on the journal of the General Assembly or the
8 Senate) stating in substance that he has a personal interest in the
9 legislation and that notwithstanding such interest, he is able to
10 cast a fair and objective vote and otherwise participate in connec-
11 tion with such legislation.

12 (b) A member of the Legislature shall be deemed to have a per-
13 sonal interest in any legislation within the meaning of this section
14 if, by reason of his participation in the enactment or defeat of any
15 legislation, he has reason to believe that he will derive a direct
16 monetary gain or suffer a direct monetary loss. No member of the
17 Legislature shall be deemed to have a personal interest in any
18 legislation within the meaning of this section if, by reason of his
19 participation in the enactment or defeat of any legislation, no
20 benefit or detriment could reasonably be expected to accrue to him,
21 as a member of a business, profession, occupation or group, to any

22 greater extent than any such benefit or detriment could reasonably
23 be expected to accrue to any other member of such business, profes-
24 sion, occupation or group.

1 8. No member of the Legislature or State officer or employee
2 shall knowingly himself, or by his partners or through any corpo-
3 ration which he controls or in which he owns or controls more than
4 10% of the stock, or by any other person for his use or benefit or
5 on his account, undertake or execute, in whole or in part, any con-
6 tract, agreement, sale or purchase of the value of \$25.00 or more,
7 made, entered into, awarded or granted by any State agency, un-
8 less such contract, agreement, purchase or sale was made or let
9 after public notice and competitive bidding; provided, however, that
10 the provisions of this section shall not apply to (a) purchases,
11 contracts or agreements for equipment, supplies or services which
12 pursuant to section 5 of chapter 48 of the laws of 1944 (C. 52:34-10),
13 may be made, negotiated or awarded without public advertising
14 or bids, or (b) any contract of insurance entered into by the Director
15 of the Division of Purchase and Property pursuant to section 10
16 of article 6 of chapter 112 of the laws of 1944 (C. 52:27B-62), if
17 such purchases, contracts or agreements shall receive prior ap-
18 proval of the Joint Legislative Committee on Ethical Standards
19 if a member of the Legislature or State officer or employee in the
20 Legislative Branch has an interest therein which would otherwise
21 be forbidden by this section, or the Executive Commission on
22 Ethical Standards if a State officer or employee in the Executive
23 Branch has an interest therein which would otherwise be forbidden
24 by this section.

1 9. No member of the Legislature or State officer or employee or
2 special State officer or employee shall act as officer or agent for a
3 State agency for the transaction of any business with himself or
4 with a corporation, company, association or firm in the pecuniary
5 profits of which he has an interest (except that ownership or con-
6 trol of 10% or less of the stock of a corporation shall not be deemed
7 an interest within the meaning of this section).

1 10. (a) The Executive Commission on Ethical Standards
2 created pursuant to P. L. 1967, chapter 229 is continued and estab-
3 lished in the Department of Law and Public Safety and shall con-
4 stitute the first commission under this act.

5 (b) The commission shall be composed of seven members ap-
6 pointed by the Governor from among State officers and employees
7 serving in the Executive Branch. Each member shall serve at the
8 pleasure of the Governor during the term of office of the Governor
9 appointing him and until his successor is appointed and qualified.

10 The Governor shall designate one member to serve as chairman and
11 one member to serve as vice-chairman of the commission.

12 (c) Each member of the said commission shall serve without
13 compensation but shall be entitled to be reimbursed for all actual
14 and necessary expenses incurred in the performance of his duties.

15 (d) The Attorney General shall act as legal adviser and counsel
16 to the said commission. He shall upon request advise the commis-
17 sion in the rendering of advisory opinions by the commission, in
18 the approval and review of codes of ethics adopted by State
19 agencies in the Executive Branch and in the recommendation of
20 revisions in codes of ethics or legislation relating to the conduct
21 of State officers and employees in the Executive Branch.

22 (e) The said commission may, within the limits of funds appro-
23 priated or otherwise made available to it for the purpose, employ
24 such other professional, technical, clerical or other assistants, ex-
25 cepting legal counsel, and incur such expenses as may be necessary
26 for the performance of its duties.

27 (f) The said commission, in order to perform its duties pursuant
28 to the provisions of this act, shall have the power to conduct investi-
29 gations, hold hearings, compel the attendance of witnesses and the
30 production before it of such books and papers as it may deem
31 necessary, proper and relevant to the matter under investigation.
32 The members of the said commission and the persons appointed
33 by the commission for such purpose are hereby empowered to
34 administer oaths and examine witnesses under oath.

35 (g) The said commission is authorized to render advisory
36 opinions as to whether a given set of facts and circumstances would,
37 in its opinion, constitute a violation of the provisions of this act or
38 of a code of ethics promulgated pursuant to the provisions of
39 this act.

40 (h) The said commission shall have jurisdiction to initiate,
41 receive, hear and review complaints regarding violations, by any
42 State officer or employee or special State officer or employee in the
43 Executive Branch, of the provisions of this act or of any code of
44 ethics promulgated pursuant to the provisions of this act. Any
45 complaint regarding a violation of a code of ethics may be referred
46 by the commission for disposition in accordance with subsection
47 12 (d) of this act.

48 (i) Any State officer or employee or special State officer or em-
49 ployee found guilty by the commission of violation any provision
50 of this act or of a code of ethics promulgated pursuant to the pro-
51 visions of this act shall be fined not less than \$100.00 nor more than

52 \$500.00, which penalty may be collected in a summary proceeding
53 pursuant to the Penalty Enforcement Law (N. J. S. A. 2A:58-1),
54 and may be suspended from his office or employment by order of
55 the commission for a period of not in excess of 1 year. If the com-
56 mission finds that the conduct of such officer or employee constitutes
57 a willful and continuous disregard of the provisions of this act
58 or of a code of ethics promulgated pursuant to the provisions of
59 this act, it may order such person removed from his office or em-
60 ployment and may further bar such person from holding any public
61 office or employment in this State in any capacity whatsoever for
62 a period of not exceeding 5 years from the date on which he was
63 found guilty by the commission.

1 11. (a) The Joint Legislative Committee on Ethical Standards
2 created pursuant to the provisions of P. L. 1967, chapter 229 is con-
3 tinued and established in the Legislative Branch of State Govern-
4 ment and shall constitute the first joint committee under this act.

5 (b) The joint committee shall be composed of four members of
6 the Senate appointed by the President thereof, no more than two
7 of whom shall be of the same political party, and four members of
8 the General Assembly, appointed by the Speaker thereof, no more
9 than two of whom shall be of the same political party. The members
10 of the said joint committee shall be appointed annually, as soon as
11 may be after the commencement of the legislative year, to serve
12 during the legislative year.

13 (c) The said joint committee shall organize annually, as soon
14 as may be after the appointment of its members, by the selection of
15 a chairman and vice chairman from among its membership and the
16 appointment of a secretary who need not be a member of the joint
17 committee.

18 (d) The Chief Counsel of the Law Revision and Legislative Ser-
19 vices Commission shall act as legal adviser to the said joint com-
20 mittee. He shall, upon request, assist and advise the joint committee
21 in the rendering of advisory opinions by the joint committee, in the
22 approval and review of codes of ethics adopted by State agencies in
23 the Legislative Branch, and in the recommendation of revisions in
24 codes of ethics or legislation relating to the conduct of members of
25 the Legislature or State officers and employees in the Legislative
26 Branch.

27 (e) The said joint committee may, within the limits of funds
28 appropriated or otherwise available to it for the purpose, employ
29 such other professional, technical, clerical or other assistants, ex-
30 cepting legal counsel, and incur such expenses as may be necessary
31 to performance of its duties.

32-33 (f) The said joint committee shall have all the powers granted
34 pursuant to chapter 13 of Title 52 of the Revised Statutes.

35 (g) The said joint committee is authorized to render advisory
36 opinions as to whether a given set of facts and circumstances would,
37 in its opinion, constitute a violation of the provisions of this act
38 or of a code of ethics promulgated pursuant to the provisions of this
39 act.

40 (h) The said joint committee shall have jurisdiction to initiate,
41 receive, hear and review complaints regarding violations of the
42 provisions of this act or of a code of ethics promulgated pursuant
43 to the provisions of this act. It shall further have such jurisdiction
44 as to enforcement of the rules of either House of the Legislature
45 governing the conduct of the members thereof as the rules of such
46 House may confer upon the joint committee. A complaint regarding
47 violation of a code of ethics promulgated pursuant to the provisions
48 of this act may be referred by the joint committee for disposition in
49 accordance with subsection 12 (d) of this act.

50 (i) Any State officer or employee or special State officer or em-
51 ployee in the Legislative Branch found guilty by the joint committee
52 of violating any provisions of this act or of a code of ethics promul-
53 gated pursuant to the provisions of this act shall be fined not less
54 than \$100.00 nor more than \$500.00, which penalty may be collected
55 in a summary proceeding pursuant to the Penalty Enforcement
56 Law (N. J. S. 2A:58-1), and may be suspended from his office or
57 employment by order of the joint committee for a period not in
58 excess of 1 year. If the joint committee finds that the conduct of such
59 officer or employee constitutes a willful and continuous disregard
60 of the provisions of this act or of a code of ethics promulgated
61 pursuant to the provisions of this act, it may order such person
62 removed from his office or employment and may further bar such
63 person from holding any public office or employment in this State
64 in any capacity whatsoever for a period of not exceeding 5 years
65 from the date on which he was found guilty by the joint committee.

66 (j) A member of the Legislature who shall be found guilty by
67 the joint committee of violating the provisions of this act or of a
68 code of ethics promulgated pursuant to the provisions of this act
69 shall be fined not less than \$100.00 nor more than \$500.00, which
70 penalty may be collected in a summary proceeding pursuant to the
71 Penalty Enforcement Law (N. J. S. 2A:58-1), and shall be sub-
72 ject to such further action as may be determined by the House of
73 which he is a member. In such cases the joint committee shall re-
74 port its findings to the appropriate House and shall recommend to

75 the House such further action as the joint committee deems appro-
 76 propriate, but it shall be the sole responsibility of the House to
 77 determine what further action, if any, shall be taken against such
 78 member.

1 12. (a) The head of each State agency, or the principal officer in
 2 charge of a division, board, bureau, commission or other instru-
 3 mentality within a department of State Government designated
 4 by the head of such department for the purposes hereinafter set
 5 forth, shall within 6 months from the date of enactment, promul-
 6 gate a code of ethics to govern and guide the conduct of the
 7 members of the Legislature or the State officers and employees in
 8 the agency to which said code is applicable. Such code shall con-
 9 form to the general standards hereinafter set forth in this section,
 10 but it shall be formulated with respect to the particular needs and
 11 problems of the agency to which said code is to apply.

12 (b) A code of ethics formulated pursuant to this section to govern
 13 and guide the conduct of the State officers and employees in any
 14 State agency in the Executive Branch, or any portion of such a
 15 code, shall not be effective unless it has first been approved by the
 16 Executive Commission on Ethical Standards. When a proposed
 17 code is submitted to the said commission it shall be accompanied
 18 by an opinion of the Attorney General as to its compliance with the
 19 provisions of this act and any other applicable provision of law.
 20 Nothing contained herein shall prevent officers of State agencies in
 21 the Executive Branch from consulting with the Attorney General
 22 or with the Executive Commission on Ethical Standards at any time
 23 in connection with the preparation or revision of such codes of
 24 ethics.

25 (c) A code of ethics formulated pursuant to this section to govern
 26 and guide the conduct of the members of the Legislature and State
 27 officers and employees in any State agency in the Legislative
 28 Branch, or any portion of such code, shall not be effective unless
 29 it has first been approved by the ***Joint Legislative Committee on**
 30 **Ethical Standards*** **Legislature by concurrent resolution**. When
 31 a proposed code is submitted to the ***said joint committee***
 31A **Legislature** for approval it shall be accompanied by an opinion
 32 of the chief counsel as to its compliance with the provisions of this
 33 act and any other applicable provisions of law. Nothing contained
 34 herein shall prevent officers of State agencies in the Legislative
 35 Branch from consulting with the Chief Legislative Counsel or the
 36 Joint Legislative Committee on Ethical Standards at any time in
 37 connection with the preparation or revision of such codes of ethics.

38 (d) Violations of a code of ethics promulgated pursuant to this

39. section shall be cause for removal, suspension, demotion or other
40. disciplinary action by the State officer or agency having the power
41. of removal or discipline. When a person who is in the classified civil
42. service is charged with a violation of such a code of ethics, the
43. procedure leading to such removal or discipline shall be governed
44. by any applicable provisions of the Civil Service Law and the Rules
45. of the Department of Civil Service. No action for removal or dis-
46. cipline shall be taken under this subsection except upon the re-
47. ferral or with the approval of the Executive Commission on Ethical
48. Standards or the Joint Legislative Committee on Ethical Standards,
49. whichever is authorized to exercise jurisdiction with respect to the
50. complaint upon which such action for removal or discipline is to be
51. taken.

52. (e) A code of ethics for officers and employees of a State agency
53. shall conform to the following general standards:

54. (1) No State officer or employee should have any interest,
55. financial or otherwise, direct or indirect, or engage in any business
56. or transaction or professional activity, which is in substantial con-
57-59 flict with the proper discharge of his duties in the public interest.

60. (2) No State officer or employee should engage in any particular
61. business, profession, trade or occupation which is subject to licens-
62. ing or regulation by a specific agency of State Government without
63. promptly filing notice of such activity with the Executive Commis-
64. sion on Ethical Standards, if he is an officer or employee in the
65. Executive Branch, or with the Joint Legislative Committee on
66. Ethical Standards, if he is an officer or employee in the Legislative
67. Branch.

68. (3) No State officer or employee should use or attempt to use his
69. official position to secure unwarranted privileges or advantages
70. for himself or others.

71. (4) No State officer or employee should act in his official capacity
72. in any matter wherein he has a direct or indirect personal financial
73. interest that might reasonably be expected to impair his objectivity
74. or independence of judgment.

75. (5) No State officer or employee should undertake any employ-
76. ment or service, whether compensated or not, which might reason-
77. ably be expected to impair his objectivity and independence of judg-
78. ment in the exercise of his official duties.

79. (6) No State officer or employee should accept any gift, favor,
80. service or other thing of value under circumstances from which it
81. might be reasonably inferred: that such gift, service or other thing
82. of value was given or offered for the purpose of influencing him in
83. the discharge of his official duties.

84 (7) No State officer or employee should knowingly act in any way
85 that might reasonably be expected to create an impression or sus-
86 picion among the public having knowledge of his acts that he may
87 be engaged in conduct violative of his trust as a State officer or em-
88 ployee.

89 (8) Rules of conduct adopted pursuant to these principles should
90 recognize that under our democratic form of government public
91 officials and employees should be drawn from all of our society, that
92 citizens who serve in government can not and should not be ex-
93 pected to be without any personal interest in the decisions and
94 policies of government; that citizens who are government officials
95 and employees have a right to private interests of a personal,
96 financial and economic nature; that standards of conduct should
97 separate those conflicts of interest which are unavoidable in a free
98 society from those conflicts of interest which are substantial and
99 material, or which bring government into disrepute.

100 (f) The code of ethics for members of the Legislature shall
101 conform to subsection (e) hereof as nearly as may be possible.

1 13. No State officer or employee, special State officer or employee,
2 or member of the Legislature shall solicit, receive or agree to
3 receive, whether directly or indirectly, any compensation, reward,
4 employment, gift or other thing of value from any source other
5 than the State of New Jersey, for any service, advice, assistance
6 or other matter related to his official duties, except reasonable
7 fees for speeches or published works on matters within his official
8 duties and except, in connection therewith, reimbursement of actual
9 expenditures for travel and reasonable subsistence for which no
10 payment or reimbursement is made by the State of New Jersey.

1 14. No State officer or employee, special State officer or employee,
2 or member of the Legislature shall willfully disclose to any person,
3 whether or not for pecuniary gain, any information not generally
4 available to members of the public which he receives or acquires
5 in the course of and by reason of his official duties. No State officer
6 or employee, special State officer or employee, or member of the
7 Legislature shall use for the purpose of pecuniary gain, whether
8 directly or indirectly, any information not generally available to
9 members of the public which he receives or acquires in the course
10 of and by reason of his official duties.

1 15. No person shall induce or attempt to induce any State officer
2 or employee, special State officer or employee, or member of the
3 Legislature to violate any provision of this act or any code of
4 ethics promulgated thereunder. Any person who willfully violates

5 any provision of this section is a disorderly person, and shall be
6 subject to a fine not to exceed \$500.00 or imprisonment not to exceed
7 6 months, or both.

1 16. If any section, subsection, paragraph, sentence or other part
2 of this act is adjudged unconstitutional or invalid, such judgment
3 shall not affect, impair or invalidate the remainder of this act, but
4 shall be confined in its effect to the section, subsection, paragraph,
5 sentence or other part of this act directly involved in the con-
6 troversy in which said judgment shall have been rendered.

1 17. This act shall be known as, and may be cited as, the "New
2 Jersey Conflicts of Interest Law."

1 18. Nothing in this act shall be deemed to alter, limit, restrict,
2 enlarge or otherwise affect the rights or obligations of any State
3 officer or employee, special State officer or employee, or member of
4 the Legislature pursuant to any transaction entered into or agree-
5 ment made in good faith prior to the effective date of this act.

1 19. Chapter 229 of the laws of 1967 is repealed as of the effective
2 date of this act, but any rules, regulations and opinions of the
3 Executive Commission on Ethical Standards and the Joint Legis-
4 lative Committee on Ethical Standards made or issued pursuant
5 to said act shall remain in force and effect until superseded by
6 codes, rules, regulations or opinions made or issued pursuant to
7 this act.

1 20. This act shall take effect ***[November 1, 1970]*** *January
2 11, 1972*.

ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 825

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED APRIL 29, 1971

Amend page 1, section 1, line 2, omit "democratic", insert "representative".

Amend page 2, section 2, line after 30, insert:

"(g) 'Interest' in a corporation means the ownership or control of more than 10% of the stock of the corporation."

Amend page 2, section 3, line 8, add a sentence: "This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office."

Amend page 4, section 5, line 35, after "State", insert ", any proceeding before the Division of Civil Rights, the New Jersey State Board of Mediation or the New Jersey Public Employment Relations Commission, or any successor thereof".

Amend page 4, section 5, line 35, omit "nonadversary".

Amend page 4, section 5, line 36, after "school district," insert "or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and".

Amend page 4, section 6, line 1, after "6.", insert "(a)".

Amend page 4, section 6, after line 15, insert a paragraph:

"(b) No State officer or employee or special State officer or employee, within the 2 years next subsequent to the termination of his office or employment in any State agency, shall represent, appear for or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the State agency in which the State officer or employee or special State officer or employee formerly held office or employment."

Amend page 5, section 8, line 7, omit ", un-".

Amend page 5, section 8, line 8, omit.

Amend page 5, section 8, line 9, omit "after public notice and competitive bidding".

Amend page 5, section 8, line 11, omit “or agreements for equipment, supplies or services”, and insert “, agreements or sales”.

Amend page 5, section 8, line 11, after “which”, insert “(1) are made or let after public notice and competitive bidding or which (2),”.

Amend page 5, section 8, line 17, after “agreements”, insert “, including change orders and amendments thereto,”.

Amend page 11, section 13, after line 10, add a new sentence: “This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office.”.

SENATE, No. 825

STATE OF NEW JERSEY

INTRODUCED APRIL 30, 1970

By Senators MARAZITI, SEARS, HAGEDORN, BATEMAN,
COFFEE, GIULIANO, RINALDO, MATTURRI, WALDOR,
DOWD, DELTUFO, WALLWORK, SCHOEM, SISCO, DUMONT,
SCIRO, LACORTE, FORSYTHE, HIERING, GUARINI and
SCHIAFFO

Referred to Committee on Judiciary

AN ACT for the more effectual regulation of the conduct of State
officers and employees and members of the Legislature, repeal-
ing the "New Jersey Conflicts of Interest Law" (P. L. 1967, c.
229), and supplementing Title 52 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature finds and declares:

2 (a) In our ****[democratic]**** ***representative*** form of gov-
3 ernment, it is essential that the conduct of public officials and em-
4 ployees shall hold the respect and confidence of the people. Public
5 officials must, therefore, avoid conduct which is in violation of their
6 public trust or which creates a justifiable impression among the
7 public that such trust is being violated.

8 (b) To ensure propriety and preserve public confidence, persons
9 serving in government should have the benefit of specific standards
10 to guide their conduct and of some disciplinary mechanism to
11 ensure the uniform maintenance of those standards amongst them.
12 Some standards of this type may be enacted as general statutory
13 prohibitions or requirements; others, because of complexity and
14 variety of circumstances, are best left to the governance of codes
15 of ethics formulated to meet the specific needs and conditions of
16 the several agencies of government.

17 (c) It is also recognized that under a free government it is both
18 necessary and desirable that all citizens, public officials included,
19 should have certain specific interests in the decisions of govern-

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

20 ment, and that the activities and conduct of public officials should
21 not, therefore, be unduly circumscribed.

1 2. As used in this act, and unless a different meaning clearly
2 appears from the context, the following terms shall have the follow-
3 ing meaning:

4 (a) "State agency" means any of the principal departments in
5 the Executive Branch of the State Government, and any division,
6 board, bureau, office, commission or other instrumentality within
7 or created by such department, the Legislature of the State and any
8 office, board, bureau or commission within or created by the Legis-
9 lative Branch, and any independent State authority, commission,
10 instrumentality or agency. A county or municipality shall not be
11 deemed an agency or instrumentality of the State.

12 (b) "State officer or employee" means any person, other than
13 a member of the Legislature, holding an office or employment in a
14 State agency, excluding special State officers or employees as
15 defined in subsection (e) of this section.

16 (c) "Member of the Legislature" means any person elected to
17 serve in the General Assembly or the Senate.

18 (d) "Head of a State agency" means (1) in the case of the
19 Executive Branch of government, the department head or, if the
20 agency is not assigned to a department, the Governor, and (2) in
21 the case of the Legislative Branch, the chief presiding officer of
22 each house of the Legislature.

23 (e) "Special State officer or employee" means any person hold-
24 ing an office or employment in a State agency, for which office or
25 employment (1) no compensation is authorized or provided by law,
26 or (2) no compensation other than a sum in reimbursement of
27 expenses, whether payable per diem or per annum, is authorized
28 or provided by law.

29 (f) "Person" means any natural person, association or
30 corporation.

31 *** (g) "Interest" in a corporation means the ownership or con-*
32 *trol of more than 10% of the stock of the corporation.***

1 3. No State officer or employee, special State officer or employee,
2 or member of the Legislature shall accept from any person, whether
3 directly or indirectly and whether by himself or through his spouse
4 or any member of his family or through any partner or associate,
5 any gift, favor, service, employment or offer of employment or
6 any other thing of value which he knows or has reason to believe
7 is offered to him with intent to influence him in the performance
8 of his public duties and responsibilities. ***This section shall not*

9 *apply to the acceptance of contributions to the campaign of an*
 10 *announced candidate for elective public office.***

1 4. No member of the Legislature or State officer or employee
 2 shall represent, appear for, or negotiate on behalf of, or agree to
 3 represent, appear for, or negotiate on behalf of, whether by himself
 4 or by or through any partnership, firm or corporation in which he
 5 has an interest or by any partner, officer or employee of any such
 6 partnership, firm or corporation any person or party other than
 7 the State in any negotiations for the acquisition or sale by the
 8 State or a State agency of any interest in real or tangible or in-
 9 tangible personal property, or in any proceedings relative to such
 10 acquisition or sale before a condemnation commission or court;
 11 provided, however, nothing contained in this section shall be deemed
 12 to prohibit any person from representing himself in negotiations
 13 or proceedings concerning his own interest in real property.

1 5. (a) No special State officer or employee, nor any partnership,
 2 firm or corporation in which he has an interest, nor any partner,
 3 officer or employee of any such partnership, firm or corporation,
 4 shall represent, appear for, or negotiate on behalf of, or agree to
 5 represent, appear for, or negotiate on behalf of, any person or
 6 party other than the State in connection with any cause, proceed-
 7 ing, application or other matter pending before the State agency
 8 in which such special State officer or employee holds office or
 9 employment.

10 (b) No State officer or employee or member of the Legislature,
 11 nor any partnership, firm or corporation in which he has an interest,
 12 nor any partner, officer or employee of any such partnership, firm
 13 or corporation, shall represent, appear for, or negotiate on behalf
 14 of, or agree to represent, appear for, or negotiate on behalf of, any
 15 person or party other than the State in connection with any cause,
 16 proceeding, application or other matter pending *~~or~~ likely to be
 17 pending~~]~~* before any State agency; provided, however, this sub-
 18 section shall not be deemed to prohibit a member of the Legislature
 19 from making an inquiry for information on behalf of a constituent,
 20 if no fee, reward or other thing of value is promised to, given to or
 21 accepted by the member of the Legislature, whether directly or
 22 indirectly **nor shall anything contained herein be deemed to pro-*
 22A *hibit any such partnership, firm or corporation from appearing on*
 22B *its own behalf*.*

23 (c) Nothing contained in this section shall be deemed to prohibit
 24 any legislator, or any State officer or employee or special State
 25 officer or employee from representing, appearing for or negotiating
 26 on behalf of, or agreeing to represent, appear for, or negotiate on

27 behalf of, any person or party other than the State in connection
 28 with any proceeding pending before any court of record of this
 29 State, any proceeding in regard to a claim for compensation
 30 arising under chapter 15 of Title 34 of the Revised Statutes (Work-
 31 men's Compensation), any proceeding in connection with the de-
 32 termination or review of transfer inheritance or estate taxes, any
 33 proceeding before the Division of Tax Appeals, any proceeding in
 34 connection with the filing of corporate or other documents in the
 35 office of the Secretary of State^{**}, *any proceeding before the Divi-*
 36 *sion of Civil Rights, the New Jersey State Board of Mediation or*
 37 *the New Jersey Public Employment Relations Commission, or any*
 38 *successor thereof*^{**} or any ^{**}**[nonadversary]**^{**} proceeding on
 39 behalf of a county, municipality or school district, ^{**}*or any au-*
 40 *thority, agency or commission of any thereof except where the*
 41 *State is an adverse party in the proceeding and*^{**} provided he is
 42 not holding any office or employment in the State agency in which
 43 any such proceeding is pending.

1 6. ^{**}(a)^{**} No State officer or employee or special State officer or
 2 employee, subsequent to the termination of his office or employment
 3 in any State agency, shall represent, appear for or negotiate on
 4 behalf of, or agree to represent, appear for, or negotiate on behalf
 5 of, whether by himself or through any partnership, firm or corpora-
 6 tion in which he has an interest or through any partner, officer or
 7 employee thereof, any person or party other than the State in con-
 8 nection with any cause, proceeding, application or other matter with
 9 respect to which such State officer or employee or special State
 10 officer or employee shall have made any investigation, rendered
 11 any ruling, given any opinion, or been otherwise directly involved
 12 at any time during the course of his office or employment. Any
 13 person who willfully violates the provisions of this section is a
 14 disorderly person, and shall be subject to a fine not to exceed
 15 \$500.00 or imprisonment not to exceed 6 months, or both.

16 ^{**}(b) *No State officer or employee or special State officer or*
 17 *employee, within the 2 years next subsequent to the termination*
 18 *of his office or employment in any State agency, shall represent,*
 19 *appear for or negotiate on behalf of, or agree to represent, appear*
 20 *for or negotiate on behalf of, any person or party other than the*
 21 *State in connection with any cause, proceeding, application or other*
 22 *matter pending before the State agency in which the State officer*
 23 *or employee or special State officer or employee formerly held*
 24 *office or employment.*^{**}

1 7. (a) No member of the Legislature shall participate^{*}**[**, whether
 2 directly or indirectly,**]**^{*} by voting or any other action, on the floor of

3 the General Assembly or the Senate, or in committee or elsewhere,
 4 in the enactment or defeat of legislation in which he has a personal
 5 interest until he files with the Clerk of the General Assembly or the
 6 Secretary of the Senate, as the case may be, a statement (which shall
 7 be entered verbatim on the journal of the General Assembly or the
 8 Senate) stating in substance that he has a personal interest in the
 9 legislation and that notwithstanding such interest, he is able to
 10 cast a fair and objective vote and otherwise participate in connec-
 11 tion with such legislation.

12 (b) A member of the Legislature shall be deemed to have a per-
 13 sonal interest in any legislation within the meaning of this section
 14 if, by reason of his participation in the enactment or defeat of any
 15 legislation, he has reason to believe that he will derive a direct
 16 monetary gain or suffer a direct monetary loss. No member of the
 17 Legislature shall be deemed to have a personal interest in any
 18 legislation within the meaning of this section if, by reason of his
 19 participation in the enactment or defeat of any legislation, no
 20 benefit or detriment could reasonably be expected to accrue to him,
 21 as a member of a business, profession, occupation or group, to any
 22 greater extent than any such benefit or detriment could reasonably
 23 be expected to accrue to any other member of such business, profes-
 24 sion, occupation or group.

1 8. No member of the Legislature or State officer or employee
 2 shall knowingly himself, or by his partners or through any corpo-
 3 ration which he controls or in which he owns or controls more than
 4 10% of the stock, or by any other person for his use or benefit or
 5 on his account, undertake or execute, in whole or in part, any con-
 6 tract, agreement, sale or purchase of the value of \$25.00 or more,
 7 made, entered into, awarded or granted by any State agency****【**, un-
 8 less such contract, agreement, purchase or sale was made or let
 9 after public notice and competitive bidding**】******;** provided, how-
 10 ever, that the provisions of this section shall not apply to (a) pur-
 11 chases, contracts ****【**or agreement for equipment, supplies or
 11A services**】**** **, *agreements or sales*** which **(1) are made or
 11B let after public notice and competitive bidding or which (2),**
 12 pursuant to section 5 of chapter 48 of the laws of 1944 (C. 52:34-10),
 13 may be made, negotiated or awarded without public advertising
 14 or bids, or (b) any contract of insurance entered into by the Director
 15 of the Division of Purchase and Property pursuant to section 10
 16 of article 6 of chapter 112 of the laws of 1944 (C. 52:27B-62), if
 17 such purchases, contracts or agreements**, *including change orders*
 18 *and amendments thereto***, shall receive prior approval of the
 19 Joint Legislative Committee on Ethical Standards if a member

20 of the Legislature or State officer or employee in the Legislative
 21 Branch has an interest therein which would otherwise be forbidden
 22 by this section, or the Executive Commission on Ethical Standards
 23 if a State officer or employee in the Executive Branch has an in-
 24 terest therein which would otherwise be forbidden by this section.

1 9. No member of the Legislature or State officer or employee or
 2 special State officer or employee shall act as officer or agent for a
 3 State agency for the transaction of any business with himself or
 4 with a corporation, company, association or firm in the pecuniary
 5 profits of which he has an interest (except that ownership or con-
 6 trol of 10% or less of the stock of a corporation shall not be deemed
 7 an interest within the meaning of this section).

1 10. (a) The Executive Commission on Ethical Standards
 2 created pursuant to P. L. 1967, chapter 229 is continued and estab-
 3 lished in the Department of Law and Public Safety and shall con-
 4 stitute the first commission under this act.

5 (b) The commission shall be composed of seven members ap-
 6 pointed by the Governor from among State officers and employees
 7 serving in the Executive Branch. Each member shall serve at the
 8 pleasure of the Governor during the term of office of the Governor
 9 appointing him and until his successor is appointed and qualified.
 10 The Governor shall designate one member to serve as chairman and
 11 one member to serve as vice-chairman of the commission.

12 (c) Each member of the said commission shall serve without
 13 compensation but shall be entitled to be reimbursed for all actual
 14 and necessary expenses incurred in the performance of his duties.

15 (d) The Attorney General shall act as legal adviser and counsel
 16 to the said commission. He shall upon request advise the commis-
 17 sion in the rendering of advisory opinions by the commission, in
 18 the approval and review of codes of ethics adopted by State
 19 agencies in the Executive Branch and in the recommendation of
 20 revisions in codes of ethics or legislation relating to the conduct
 21 of State officers and employees in the Executive Branch.

22 (e) The said commission may, within the limits of funds appro-
 23 priated or otherwise made available to it for the purpose, employ
 24 such other professional, technical, clerical or other assistants, ex-
 25 cepting legal counsel, and incur such expenses as may be necessary
 26 for the performance of its duties.

27 (f) The said commission, in order to perform its duties pursuant
 28 to the provisions of this act, shall have the power to conduct investi-
 29 gations, hold hearings, compel the attendance of witnesses and the
 30 production before it of such books and papers as it may deem
 31 necessary, proper and relevant to the matter under investigation.
 32 The members of the said commission and the persons appointed

33 by the commission for such purpose are hereby empowered to
34 administer oaths and examine witnesses under oath.

35 (g) The said commission is authorized to render advisory
36 opinions as to whether a given set of facts and circumstances would,
37 in its opinion, constitute a violation of the provisions of this act or
38 of a code of ethics promulgated pursuant to the provisions of
39 this act.

40 (h) The said commission shall have jurisdiction to initiate,
41 receive, hear and review complaints regarding violations, by any
42 State officer or employee or special State officer or employee in the
43 Executive Branch, of the provisions of this act or of any code of
44 ethics promulgated pursuant to the provisions of this act. Any
45 complaint regarding a violation of a code of ethics may be referred
46 by the commission for disposition in accordance with subsection
47 12 (d) of this act.

48 (i) Any State officer or employee or special State officer or em-
49 ployee found guilty by the commission of violation any provision
50 of this act or of a code of ethics promulgated pursuant to the pro-
51 visions of this act shall be fined not less than \$100.00 nor more than
52 \$500.00, which penalty may be collected in a summary proceeding
53 pursuant to the Penalty Enforcement Law (N. J. S. A. 2A:58-1),
54 and may be suspended from his office or employment by order of
55 the commission for a period of not in excess of 1 year. If the com-
56 mission finds that the conduct of such officer or employee constitutes
57 a willful and continuous disregard of the provisions of this act
58 or of a code of ethics promulgated pursuant to the provisions of
59 this act, it may order such person removed from his office or em-
60 ployment and may further bar such person from holding any public
61 office or employment in this State in any capacity whatsoever for
62 a period of not exceeding 5 years from the date on which he was
63 found guilty by the commission.

1 11. (a) The Joint Legislative Committee on Ethical Standards
2 created pursuant to the provisions of P. L. 1967, chapter 229 is con-
3 tinued and established in the Legislative Branch of State Govern-
4 ment and shall constitute the first joint committee under this act.

5 (b) The joint committee shall be composed of four members of
6 the Senate appointed by the President thereof, no more than two
7 of whom shall be of the same political party, and four members of
8 the General Assembly, appointed by the Speaker thereof, no more
9 than two of whom shall be of the same political party. The members
10 of the said joint committee shall be appointed annually, as soon as
11 may be after the commencement of the legislative year, to serve
12 during the legislative year.

13 (c) The said joint committee shall organize annually, as soon
14 as may be after the appointment of its members, by the selection of

15 a chairman and vice chairman from among its membership and the
16 appointment of a secretary who need not be a member of the joint
17 committee.

18 (d) The Chief Counsel of the Law Revision and Legislative Ser-
19 vices Commission shall act as legal adviser to the said joint com-
20 mittee. He shall, upon request, assist and advise the joint committee
21 in the rendering of advisory opinions by the joint committee, in the
22 approval and review of codes of ethics adopted by State agencies in
23 the Legislative Branch, and in the recommendation of revisions in
24 codes of ethics or legislation relating to the conduct of members of
25 the Legislature or State officers and employees in the Legislative
26 Branch.

27 (e) The said joint committee may, within the limits of funds
28 appropriated or otherwise available to it for the purpose, employ
29 such other professional, technical, clerical or other assistants, ex-
30 cepting legal counsel, and incur such expenses as may be necessary
31 to performance of its duties.

32-33 (f) The said joint committee shall have all the powers granted
34 pursuant to chapter 13 of Title 52 of the Revised Statutes.

35 (g) The said joint committee is authorized to render advisory
36 opinions as to whether a given set of facts and circumstances would,
37 in its opinion, constitute a violation of the provisions of this act
38 or of a code of ethics promulgated pursuant to the provisions of this
39 act.

40 (h) The said joint committee shall have jurisdiction to initiate,
41 receive, hear and review complaints regarding violations of the
42 provisions of this act or of a code of ethics promulgated pursuant
43 to the provisions of this act. It shall further have such jurisdiction
44 as to enforcement of the rules of either House of the Legislature
45 governing the conduct of the members thereof as the rules of such
46 House may confer upon the joint committee. A complaint regarding
47 violation of a code of ethics promulgated pursuant to the provisions
48 of this act may be referred by the joint committee for disposition in
49 accordance with subsection 12 (d) of this act.

50 (i) Any State officer or employee or special State officer or em-
51 ployee in the Legislative Branch found guilty by the joint committee
52 of violating any provisions of this act or of a code of ethics promul-
53 gated pursuant to the provisions of this act shall be fined not less
54 than \$100.00 nor more than \$500.00, which penalty may be collected
55 in a summary proceeding pursuant to the Penalty Enforcement
56 Law (N. J. S. 2A:58-1), and may be suspended from his office or
57 employment by order of the joint committee for a period not in
58 excess of 1 year. If the joint committee finds that the conduct of such

59 officer or employee constitutes a willful and continuous disregard
 60 of the provisions of this act or of a code of ethics promulgated
 61 pursuant to the provisions of this act, it may order such person
 62 removed from his office or employment and may further bar such
 63 person from holding any public office or employment in this State
 64 in any capacity whatsoever for a period of not exceeding 5 years
 65 from the date on which he was found guilty by the joint committee.

66 (j) A member of the Legislature who shall be found guilty by
 67 the joint committee of violating the provisions of this act or of a
 68 code of ethics promulgated pursuant to the provisions of this act
 69 shall be fined not less than \$100.00 nor more than \$500.00, which
 70 penalty may be collected in a summary proceeding pursuant to the
 71 Penalty Enforcement Law (N. J. S. 2A:58-1), and shall be sub-
 72 ject to such further action as may be determined by the House of
 73 which he is a member. In such cases the joint committee shall re-
 74 port its findings to the appropriate House and shall recommend to
 75 the House such further action as the joint committee deems appro-
 76 priate, but it shall be the sole responsibility of the House to
 77 determine what further action, if any, shall be taken against such
 78 member.

1 12. (a) The head of each State agency, or the principal officer in
 2 charge of a division, board, bureau, commission or other instru-
 3 mentality within a department of State Government designated
 4 by the head of such department for the purposes hereinafter set
 5 forth, shall within 6 months from the date of enactment, promul-
 6 gate a code of ethics to govern and guide the conduct of the
 7 members of the Legislature or the State officers and employees in
 8 the agency to which said code is applicable. Such code shall con-
 9 form to the general standards hereinafter set forth in this section,
 10 but it shall be formulated with respect to the particular needs and
 11 problems of the agency to which said code is to apply.

12 (b) A code of ethics formulated pursuant to this section to govern
 13 and guide the conduct of the State officers and employees in any
 14 State agency in the Executive Branch, or any portion of such a
 15 code, shall not be effective unless it has first been approved by the
 16 Executive Commission on Ethical Standards. When a proposed
 17 code is submitted to the said commission it shall be accompanied
 18 by an opinion of the Attorney General as to its compliance with the
 19 provisions of this act and any other applicable provision of law.
 20 Nothing contained herein shall prevent officers of State agencies in
 21 the Executive Branch from consulting with the Attorney General
 22 or with the Executive Commission on Ethical Standards at any time

23 in connection with the preparation or revision of such codes of
24 ethics.

25 (c) A code of ethics formulated pursuant to this section to govern
26 and guide the conduct of the members of the Legislature and State
27 officers and employees in any State agency in the Legislative
28 Branch, or any portion of such code, shall not be effective unless
29 it has first been approved by the ***Joint Legislative Committee on**
30 **Ethical Standards**]* **Legislature by concurrent resolution**. When
31 a proposed code is submitted to the ***said joint committee**]*
31A **Legislature** for approval it shall be accompanied by an opinion
32 of the chief counsel as to its compliance with the provisions of this
33 act and any other applicable provisions of law. Nothing contained
34 herein shall prevent officers of State agencies in the Legislative
35 Branch from consulting with the Chief Legislative Counsel or the
36 Joint Legislative Committee on Ethical Standards at any time in
37 connection with the preparation or revision of such codes of ethics.

38 (d) Violations of a code of ethics promulgated pursuant to this
39 section shall be cause for removal, suspension, demotion or other
40 disciplinary action by the State officer or agency having the power
41 of removal or discipline. When a person who is in the classified civil
42 service is charged with a violation of such a code of ethics, the
43 procedure leading to such removal or discipline shall be governed
44 by any applicable provisions of the Civil Service Law and the Rules
45 of the Department of Civil Service. No action for removal or dis-
46 cipline shall be taken under this subsection except upon the re-
47 ferral or with the approval of the Executive Commission on Ethical
48 Standards or the Joint Legislative Committee on Ethical Standards,
49 whichever is authorized to exercise jurisdiction with respect to the
50 complaint upon which such action for removal or discipline is to be
51 taken.

52 (e) A code of ethics for officers and employees of a State agency
53 shall conform to the following general standards:

54 (1) No State officer or employee should have any interest,
55 financial or otherwise, direct or indirect, or engage in any business
56 or transaction or professional activity, which is in substantial con-
57-59 flict with the proper discharge of his duties in the public interest.

60 (2) No State officer or employee should engage in any particular
61 business, profession, trade or occupation which is subject to licens-
62 ing or regulation by a specific agency of State Government without
63 promptly filing notice of such activity with the Executive Commis-
64 sion on Ethical Standards, if he is an officer or employee in the
65 Executive Branch, or with the Joint Legislative Committee on

66 Ethical Standards, if he is an officer or employee in the Legislative
67 Branch.

68 (3) No State officer or employee should use or attempt to use his
69 official position to secure unwarranted privileges or advantages
70 for himself or others.

71 (4) No State officer or employee should act in his official capacity
72 in any matter wherein he has a direct or indirect personal financial
73 interest that might reasonably be expected to impair his objectivity
74 or independence of judgment.

75 (5) No State officer or employee should undertake any employ-
76 ment or service, whether compensated or not, which might reason-
77 ably be expected to impair his objectivity and independence of judg-
78 ment in the exercise of his official duties.

79 (6) No State officer or employee should accept any gift, favor,
80 service or other thing of value under circumstances from which it
81 might be reasonably inferred: that such gift, service or other thing
82 of value was given or offered for the purpose of influencing him in
83 the discharge of his official duties.

84 (7) No State officer or employee should knowingly act in any way
85 that might reasonably be expected to create an impression or sus-
86 picion among the public having knowledge of his acts that he may
87 be engaged in conduct violative of his trust as a State officer or em-
88 ployee.

89 (8) Rules of conduct adopted pursuant to these principles should
90 recognize that under our democratic form of government public
91 officials and employees should be drawn from all of our society, that
92 citizens who serve in government can not and should not be ex-
93 pected to be without any personal interest in the decisions and
94 policies of government; that citizens who are government officials
95 and employees have a right to private interests of a personal,
96 financial and economic nature; that standards of conduct should
97 separate those conflicts of interest which are unavoidable in a free
98 society from those conflicts of interest which are substantial and
99 material, or which bring government into disrepute.

100 (f) The code of ethics for members of the Legislature shall
101 conform to subsection (e) hereof as nearly as may be possible.

1 13. No State officer or employee, special State officer or employee,
2 or member of the Legislature shall solicit, receive or agree to
3 receive, whether directly or indirectly, any compensation, reward,
4 employment, gift or other thing of value from any source other
5 than the State of New Jersey, for any service, advice, assistance
6 or other matter related to his official duties, except reasonable
7 fees for speeches or published works on matters within his official
8 duties and except, in connection therewith, reimbursement of actual

9 expenditures for travel and reasonable subsistence for which no
 10 payment or reimbursement is made by the State of New Jersey.
 11 ***This section shall not apply to the solicitation or acceptance of*
 12 *contributions to the campaign of an announced candidate for elec-*
 13 *tive public office.***

1 14. No State officer or employee, special State officer or employee,
 2 or member of the Legislature shall willfully disclose to any person,
 3 whether or not for pecuniary gain, any information not generally
 4 available to members of the public which he receives or acquires
 5 in the course of and by reason of his official duties. No State officer
 6 or employee, special State officer or employee, or member of the
 7 Legislature shall use for the purpose of pecuniary gain, whether
 8 directly or indirectly, any information not generally available to
 9 members of the public which he receives or acquires in the course
 10 of and by reason of his official duties.

1 15. No person shall induce or attempt to induce any State officer
 2 or employee, special State officer or employee, or member of the
 3 Legislature to violate any provision of this act or any code of
 4 ethics promulgated thereunder. Any person who willfully violates
 5 any provision of this section is a disorderly person, and shall be
 6 subject to a fine not to exceed \$500.00 or imprisonment not to exceed
 7 6 months, or both.

1 16. If any section, subsection, paragraph, sentence or other part
 2 of this act is adjudged unconstitutional or invalid, such judgment
 3 shall not affect, impair or invalidate the remainder of this act, but
 4 shall be confined in its effect to the section, subsection, paragraph,
 5 sentence or other part of this act directly involved in the con-
 6 troversy in which said judgment shall have been rendered.

1 17. This act shall be known as, and may be cited as, the "New
 2 Jersey Conflicts of Interest Law."

1 18. Nothing in this act shall be deemed to alter, limit, restrict,
 2 enlarge or otherwise affect the rights or obligations of any State
 3 officer or employee, special State officer or employee, or member of
 4 the Legislature pursuant to any transaction entered into or agree-
 5 ment made in good faith prior to the effective date of this act.

1 19. Chapter 229 of the laws of 1967 is repealed as of the effective
 2 date of this act, but any rules, regulations and opinions of the
 3 Executive Commission on Ethical Standards and the Joint Legis-
 4 lative Committee on Ethical Standards made or issued pursuant
 5 to said act shall remain in force and effect until superseded by
 6 codes, rules, regulations or opinions made or issued pursuant to
 7 this act.

1 20. This act shall take effect ***[November 1, 1970]*** **January*
 2 *11, 1972*.*

ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 825

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED APRIL 29, 1971

Amend page 1, section 1, line 2, omit "democratic", insert "representative".

Amend page 2, section 2, line after 30, insert:

"(g) 'Interest' in a corporation means the ownership or control of more than 10% of the stock of the corporation."

Amend page 2, section 3, line 8, add a sentence: "This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office."

Amend page 4, section 5, line 35, after "State", insert ", any proceeding before the Division of Civil Rights, the New Jersey State Board of Mediation or the New Jersey Public Employment Relations Commission, or any successor thereof".

Amend page 4, section 5, line 35, omit "nonadversary".

Amend page 4, section 5, line 36, after "school district," insert "or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and".

Amend page 4, section 6, line 1, after "6.", insert "(a)".

Amend page 4, section 6, after line 15, insert a paragraph:

"(b) No State officer or employee or special State officer or employee, within the 2 years next subsequent to the termination of his office or employment in any State agency, shall represent, appear for or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the State agency in which the State officer or employee or special State officer or employee formerly held office or employment."

Amend page 5, section 8, line 7, omit ", un-".

Amend page 5, section 8, line 8, omit.

Amend page 5, section 8, line 9, omit "after public notice and competitive bidding".

Amend page 5, section 8, line 11, omit “or agreements for equipment, supplies or services”, and insert “, agreements or sales”.

Amend page 5, section 8, line 11, after “which”, insert “(1) are made or let after public notice and competitive bidding or which (2),”.

Amend page 5, section 8, line 17, after “agreements”, insert “, including change orders and amendments thereto,”.

Amend page 11, section 13, after line 10, add a new sentence: “This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office.”.

S-825

Governor William T. Cahill today signed Administration bills which provides the State's first meaningful Conflicts-of-interest law and a Legislative Activity Disclosure Act.

In signing the measures Cahill said that the new laws are an important step in protecting the public's right to know what interests groups are being represented by lobbyists and in restoring the public's confidence in Legislators as well as State officials and employees.

Under Senate Bill 825, sponsored by Senator Joseph J. Maraziti (R., Morris), a comprehensive set of guidelines are established to govern the activities of Legislators and State officials in the area of private enterprise. In addition the Conflicts-of-interest law establishes a framework for the Legislature and State agencies to adopt a code of ethics.

Cahill noted that while the new conflicts law is not a panacea for all problems the principles of the bill and what it accomplishes are unimpeachable.

Among the prime features of the conflicts bill are those which prohibit the involvement of State officials or Legislators in the following areas:

- Representation of others in the sale or purchase of property with the State;
- Entering into contracts with the State unless there is a public bid or a waiver of bid is permitted;
- Representing the State in transactions with themselves or their firms;
- Appearing before State agencies with the exception of the courts, Workmen's Compensation, the Division of Tax Appeals, Inheritance Tax, filing of documents with the Secretary of State, the State Board of Mediations, the Division of Civil Rights, the Public Employment Relations Commission and matters involving counties, municipalities and school districts;
- They cannot accept gifts or favors to influence the performance of their public duties, they cannot receive payment from sources other than the State for matters related to their official duties. However, reasonable fees for speeches, published works or reimbursement for expenses are permitted;

(more)

- They cannot use confidential information for personal gain;
- Legislators are prohibited from voting on or participating in legislation in which they have a personal interest unless they make a full disclosure;
- Former State officers and employees are prohibited from appearing in matters in which they participated personally while employed by the State. They are also prohibited for a two year period from participating in any matters before their former agency.

Penalties are provided for violation of the law or code of ethics established under the new statute. In addition, former State employees who violate the law or those who influence others to violate the Act will be liable as disorderly persons.

Under Assembly Bill 2294, sponsored by Assemblyman William E. Schluter (R., Mercer), regulations controlling lobbying activities are strengthened.

The new law requires lobbyists to file reports with the Attorney General, indicating who they represent, the general nature of their service, the approximate length of time that clients were represented, and the extent to which their fees are dependent upon the success of the lobbyist's efforts. The bill replaces the Legislative Disclosure Act of 1964 and the functions under the law are transferred from the Secretary of State to the Attorney General. The new law also broadens the definition of lobbying and includes contact with the Governor or his staff to influence legislation, except as may be specifically exempted.

All lobbyists who receive more than \$100.00 in any three-month period must register. Detailed reports are required of a lobbyist who receives \$500.00 in any three-month period.

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June 2, 1971

REMARKS IN CONNECTION WITH THE SIGNING OF

S-825 (2nd OCR)

("THE NEW JERSEY CONFLICTS OF INTERESTS LAW")

This legislation signals a new era in New Jersey. For the first time in our history, State officers and employees and members of the Legislature will be governed by a meaningful "Conflicts of Interests Law." Presently, these public officials are not prohibited from representing interests which are adverse to the State. They are required merely to disclose such situations.

This bill, which I proposed in the Spring of 1970 and which now blossoms into law as we approach Summer in 1971, is not a complete answer or panacea to all the questions or problems which arise in this sensitive area of separation of public life from the pursuit of private enterprise.

Under our present system of government, a total separation of these interests is not possible. Our Legislature is a part-time Legislature. Certain areas of the Executive Branch require the services of public officials on a part-time basis. Their livelihood depends to a certain extent upon sources in addition to government salaries. The contact of certain professions with the operation of government is thus inevitable. These practical facts of political life were recognized in the original version of the bill as first introduced. No attempt was made to completely insulate these public officials from all aspects of involvement in private enterprise. While the bill was being considered by the Legislature, it was amended, against my wishes, to dilute some of its particular provisions.

In spite of these imperfections, the principles of the bill and what it accomplishes, however, remain unimpeachable. Members of the Legislature and all State officers and employees must now abide by a comprehensive set of guidelines which delineate just what they are permitted to do and what they are prohibited from doing in the area of private enterprise. A framework has been established for the Legislature and each State agency to adopt a code of ethics conforming to appropriate standards to apply to situations which are out of the ordinary.

Enactment of this bill today may be considered as the first step. The effectiveness of what we have done must await a period of implementation of this act and the codes of ethics established thereunder. It may very well be that an assessment of our work in the future will indicate the need for change. Just as the Legislature has been responsive enough to face up to their responsibility in this area, I have full faith that they will continue in their efforts to assure a proper opportunity for evaluation.

State officers and employees and members of the Legislature are prohibited from the following areas:

1. They cannot represent others in the sale or purchase of real or personal property to or from the State.
2. They cannot enter into contracts with the State unless they are let at public bid, or where waiver of bid is permitted.
3. They cannot represent the State in transactions with themselves or their firms.
4. They cannot appear before State agencies. Exceptions are provided for the courts, workmen's compensation, division of tax appeals, inheritance tax, filing of documents with the

Secretary of State, Division of Civil Rights, State Board of Mediations, Public Employment Relations Commission and matters involving counties, municipalities and school districts.

5. They cannot accept gifts or favors to influence them in the performance of their public duties.
6. They cannot receive payment from sources other than the State for matters related to their official duties. Reasonable fees for speeches or published works and reimbursement for expenses is permitted.
7. They cannot disclose or use for gain confidential information.
8. Members of the Legislature are prohibited from voting on or participating in legislation in which they have a personal interest unless they make full disclosure.
9. Former State officers and employees are forever prohibited from appearing in matters in which they participated personally while employed by the State. They are prohibited for a 2-year period from participating in any matters before their former State agency.

Enforcement of the bill is provided by an Executive Commission on Ethical Standards to hear and review complaints involving the Executive Branch. A joint Legislative Committee on Ethical Standards will hear and review complaints involving the Legislative Branch. Codes of ethics are to be formulated to govern conduct of all State officers and employees and members of the Legislature.

Violations of the statute or codes of ethics established pursuant thereto will subject State officers and employees and members of the Legislature to

fines, suspension and, in the case of members of the Legislature, such further action as the Legislature determines for its members. Former State employees violating the provisions of this act, and persons attempting to induce others to violate the act or code of ethics, will be liable as disorderly persons.

The fact that this Conflict of Interests Bill has passed and is before me now for signature is a tribute to the members of our Legislature.

While the bill applies equally as well to the Executive Branch as it does to the Legislative Branch, the members of the Legislature had to shoulder the responsibility of enacting its provisions into law. In a true sense, they were deciding their own destiny. This has been accomplished at no small sacrifice. Many will suffer financial loss. The State will undoubtedly be deprived of the services of fine legislators and State officers and employees. On the other hand, the State will benefit by the removal, to a large degree, of situations of conflicts of interests on the part of members of the Legislature and State officers and employees. Equally as important, this bill will remove the appearance of an opportunity for the exertion of undue influence.

While in many instances no actual conflict of interest or undue influence does exist, the appearance of the same is most harmful to our public image. By removing situations of conflict of interest, opportunities for conflict of interest, and the appearance of conflict of interest and undue influence, the respect of our citizens for public officials will be renewed.

SENATE, No. 40

STATE OF NEW JERSEY

INTRODUCED JANUARY 20, 1964

By Senator OZZARD

Referred to Committee on Judiciary

AN ACT to prohibit certain activities by legislators, State officers and employees and State appointees and to regulate the conduct of said persons with respect to conflicts of interest between their public duties and their personal, business or professional interests, and establishing a Commission on Ethical Standards, in the Executive Branch of the State Government and prescribing its powers and duties and providing for the establishment of a standing ethics committee in each House of the Legislature and prescribing its functions.

1 BE IT ENACTED by the Senate and General Assembly of the State of New
2 Jersey:

1 1. As used in this chapter, except as may be otherwise indicated by the
2 context:

3 (a) "State agency" means any of the principal departments in the
4 Executive Branch of the State Government, and any division, board, bureau,
5 commission or other instrumentality within such department and any inde-
6 pendent State authority, commission, instrumentality or agency.

7 (b) "Officer or employee of a State agency" means a person holding
8 an office, position or employment in a State agency.

9 (c) "State appointee" means a person (other than an officer or employee
10 of a State agency) who holds an office, position or employment in the State
11 Government and who was or shall be appointed to such office, position or

12 employment by the Governor, by the Legislature, or by any officer, board,
13 bureau, commission or other instrumentality in the executive or legislative
14 branch of State Government. It does not include members of the judiciary
15 or officers or employees of the judicial branch of the government.

16 (d) "Department" means 1 of the principal departments in the Execu-
17 tive Branch of the State Government provided for in Article V, Section IV,
18 paragraph 1 of the Constitution.

19 (e) "Compensation" means any money, thing of value, or financial bene-
20 fit conferred in return for services rendered or to be rendered, but it does
21 not include the salary or other payment provided by law or appropriation
22 for services rendered in a public office, position or employment.

1 2. Declaration of Intent. In our democratic form of government, it is
2 essential that the conduct of public officials and employees shall hold the
3 respect and confidence of the people. Public officials must therefore avoid
4 conduct which is in violation of their public trust or which creates a justifi-
5 able impression among the public that it violates that trust. To this end,
6 conscientious public officials should have specific standards to guide their
7 conduct, and the few unfaithful officials a deterrent, by statutory prohibi-
8 tion where the matter is sufficiently clear or defined, or by code of ethics
9 where demanded by complexity and variety of circumstances. It is at the
10 same time recognized that under a free government it is both necessary and
11 desirable that all citizens, public officials included, should have certain spe-
12 cific interests in the decisions of government, and that the activities and
13 conduct of public officials should not, therefore, be unduly circumscribed.

1 3. The following general standards of conduct are hereby established:

2 (a) No member of the Legislature, officer or employee of a State agency
3 or State appointee shall:

4 (1) Have any interest, financial or otherwise, direct or indirect, or
5 engage in any business or transaction or professional activity, which is
6 in substantial conflict with the proper discharge of his duties in the
7 public interest.

(2) Use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others.

(3) Engage in any transaction as representative or agent of the State with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

(4) Accept any gift, favor, service or other thing of value that might reasonably tend to influence him in the discharge of his official duties.

(b) To the extent that any conduct or activity in the practice or pursuit of a profession or occupation is not prohibited by the provisions of this act or any other statute, such conduct or activity shall be governed by the respective canons of professional ethics, or Code of Ethics, if any, applicable to the profession or occupation, and in the case of officers or employees of a State agency or State appointees in a State agency, by the Rules of the Civil Service Commission and by the provisions of a Code of Ethics duly promulgated pursuant to this act, either or both, as the case may be.

(c) Rules of conduct adopted pursuant to these principles should recognize that under our democratic form of government, public officials and employees should be drawn from all of our society, that citizens who serve in government cannot and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officials and employees have a right to private interests of a personal, financial and economic nature; that standards of conduct should separate those conflicts of interest which are unavoidable in a free society from these conflicts of interest which are substantial and material, or which bring the government into disrepute.

4. No member of the Legislature, officer or employee of a State agency, or State appointee shall knowingly receive or agree to receive, directly or indirectly, compensation for any services to be rendered, either by himself or another, in negotiations with the State or a State agency for the purchase by the State or a State agency of an interest in real property. This section

6 shall not apply to appearances before any court, or any condemnation commission appointed by it, nor to any negotiations for the settlement of any matter pending, or arising out of any controversy pending, before any court of condemnation commission.

1 5. No member of the Legislature, officer or employee of a State agency, 2 or State appointee shall receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any case, 3 proceeding, application or other matter before any State agency, whereby 4 his compensation is to be dependent or contingent upon any action by such 5 agency with respect to any license, contract, certificate, ruling, decision, opinion, wage schedule, franchise, or other benefit; provided, however, that nothing in this section shall be deemed to prohibit the fixing, at any time, of fees 8 authorized by statute or based upon the reasonable value of the services 9 rendered.

1 6. No member of the Legislature, officer or employee of a State agency, 2 or State appointee shall act as officer or agent for the State for the transaction of any business with himself, or with a corporation, company, association or firm in the pecuniary profits of which he has an interest, except that 5 ownership or control of 10% or less of the stock of a corporation shall not be 6 deemed an interest within this section.

1 7. No member of the Legislature, officer or employee of a State agency, or 2 State appointee shall knowingly himself, or by his partners or through any 3 corporation which he controls or in which he owns or controls more than 10% 4 of the stock, or by any other person for his use or benefit or on his account, 5 undertake, execute, hold or enjoy, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, 7 awarded or granted by any State agency, unless said contract, agreement, 8 sale or purchase was made or let after public notice and competitive bidding.

1 8. No officer or employee of a State agency, or State appointee in a State 2 agency, shall knowingly receive or agree to receive, directly or indirectly, 3 compensation for any services rendered or to be rendered, either by himself

4 or another, in any cause, proceeding, application or other matter which is
 5 before said State agency, or in any cause, proceeding, application or other
 6 matter which is before any other State agency, the action or determination
 7 of which is, by statute, reviewable before the State agency in which such
 8 officer, employee or State appointee functions. This section shall not apply to
 9 part-time officers, employees or appointees in the Transfer Inheritance Tax
 10 Bureau, but such officers, employees and appointees shall be governed by the
 11 pertinent code of ethics promulgated in accordance with the provisions of this
 12 act hereinafter set forth and by the State agency Code of Regulations, as from
 13 time to time amended, applicable to them.

1 9. No person who has served as an officer or employee of a State agency,
 2 or as a State appointee shall knowingly receive or agree to receive, directly
 3 or indirectly, compensation for any services rendered or to be rendered,
 4 either by himself or another, within 2 years after the termination of his em-
 5 ployment or service, in any cause, proceeding, application or other matter,
 6 in which he has given an opinion, made an investigation, or has been directly
 7 concerned in the course of his duties, unless such service shall be rendered
 8 to or for the State.

1 10. (a) The head of each State agency, or the principal officer in charge
 2 of a division, board, bureau, commission or other instrumentality, within a
 3 department in the Executive Branch of the State Government designated by
 4 the head of such department for the purposes hereinafter set forth, shall
 5 within 6 months from the effective date of this enactment, promulgate a
 6 code of ethics to govern and guide the conduct of the State officers and em-
 7 ployees or State appointees of such agency or department, including per-
 8 sons who serve without salary or other payment for their services in the
 9 agency to which said code is applicable. Such code shall conform to the gen-
 10 eral standards hereinbefore set forth, but it shall be formulated with respect
 11 to the particular needs and problems of the agency to which said code is to
 12 apply.

13

(b) A code of ethics formulated pursuant to this section, or any portion of such a code, shall not be effective unless it has first been approved by the Commission on Ethical Standards in Government. When a proposed code is submitted to the commission, it shall be accompanied by an opinion of the Attorney General which shall evaluate the code both as to form and substance. Nothing contained herein shall prevent officers of State agencies from consulting with the commission or with the Attorney General at any time in connection with the preparation or revision of such codes of ethics.

(c) Violations of a code of ethics adopted pursuant to this section shall be cause for removal, suspension, demotion or other disciplinary action by the State officer or agency having the power of removal or discipline. When a person who is in the classified civil service is charged with a violation of such a code of ethics, the procedure shall be governed by any applicable provisions of the Civil Service Law and the Rules of the Department of Civil Service.

11. (a) There is hereby established in the Department of Law and Public Safety a Commission on Ethical Standards, in the Executive Branch of the State Government.

(b) The commission shall be composed of 5 members, who shall be appointed by the Governor, with the advice and consent of the Senate. Each member of the commission, except for first appointments, shall be appointed for a term of 5 years and until his successor has qualified. The first appointments shall be made for the following terms: 2 for terms of 5 years and 3 for terms of 2 years; thereafter appointments shall be for a full term. Not more than 3 of the members of the commission shall be of the same political party. No member of the commission shall hold any other office, position or employment under this State or any political subdivision thereof or under the United States. Each member of the commission shall serve without compensation but shall be reimbursed for expenses actually and necessarily incurred by him in the performance of his official duties. The commission shall have a secretary, who shall be appointed by the commission.

(c) The Attorney General shall act as legal adviser and counsel to the commission. He shall, upon request, advise and assist the commission in the rendering of advisory opinions by the commission, in the approval and review of codes of ethics adopted by State agencies, and in the recommendation of revisions in codes of ethics or legislation relating to the conduct of State officers and employees in the Executive Branch of the State Government.

(d) The commission shall:

(1) Receive complaints concerning violations of codes of ethics or other improper conduct by officers or employees of a State agency, or State appointees, in the Executive Branch of the State Government. If the complaint warrants it, it shall transmit such complaint to the appropriate authority;

(2) Review and approve or disapprove codes of ethics or a portion thereof, formulated pursuant to section 10 of this chapter;

(3) Upon request render advisory opinions as to whether a given set of facts and circumstances would, in the commission's opinion, involve a violation of a code of ethics or of the provisions of this chapter by officers or employees of a State agency or State appointees in the Executive Branch of the State Government. Such opinions shall be filed with the Secretary of State;

(4) Make such recommendations as it deems necessary for revisions in the codes of ethics and legislation relating to conflicts of interest in the performance of official duties by such State officers and employees.

(e) The commission shall every 5 years review in an advisory capacity the provisions of this chapter and the codes of ethics adopted pursuant thereto and make recommendations to the appropriate authorities.

(f) The commission shall publish periodically its advisory opinions with such deletions as it may deem appropriate to prevent the disclosure of the identity of officers and employees involved.

Nothing contained herein shall prevent the receipt of such complaints directly by a State agency or officer or the taking of appropriate independ-

ent action by State agencies or officers in cases involving charges of violations of a code of ethics, or other improper conduct.

12. The commission shall be entitled to avail itself of the services of such State departments and personnel as it may require and as may be available to it. Within the limits of funds appropriated or otherwise made available, it may incur such expenses as it may deem necessary in order to perform its duties.

13. There shall be established by Rule in each House of the Legislature, a Standing Committee of such House to be known as the Ethics Committee thereof, which shall consist of such number of members of the House, and the members whereof shall be appointed in such manner, as shall be prescribed by the Rule, except that no more than a majority of the whole number of the members shall be appointed from the same political party.

14. There shall be referred to each such committee, and it shall investigate and hear in closed executive session, all accusations and complaints made against members of the House by which such committee was appointed, of conduct in their personal, business or professional activities which is of such character as to involve a conflict of interest between such activities and the trust and duties imposed upon them as members of such House of the Legislature.

15. If a majority of the committee shall find after hearing that the charges made in such accusation or complaint are of such serious character and are supported by sufficient evidence as to warrant hearing and action thereon by the House for which it shall have been appointed, the committee shall report such findings to such House in Executive Session for such action as such House may determine to take thereon, but if a majority of the members of said committee shall find that said charges are not of such serious character and are not supported by sufficient evidence to warrant hearing and action by such House, the committee shall report to the House in Executive Session accordingly and no further action shall be taken thereon.

16. The commission shall have a secretary, who shall be appointed by the commission.

1 16. If the House shall determine that the charges made in such accusa-
 2 tion or complaint are of such serious character, and are supported by sufficient
 3 evidence, to warrant action thereon by the House, the House may refer the
 4 same to a committee for hearing and if it appears that the person against
 5 whom said accusation or complaint is made is guilty of a violation of any of
 6 the principles set forth in this act, it may punish such person, if not a mem-
 7 ber of the House, by suspension or removal from his office, position or employ-
 8 ment in the House, but if such person is a member of the House, the House
 9 may impose, as punishment, censure by the House, expulsion from the House
 10 or such other penalty as the Constitution shall permit.

1 17. Each committee shall formulate appropriate procedures and princi-
 2 ples for the conduct of the matters so to be referred to it and shall report the
 3 same to the House for which it was appointed for its action thereon.

1 18. This act shall take effect immediately.

in the course of my past attempts to persuade the Legislature that the
 adoption of a truly viable conflicts of interest law is indispensable to
 the maintenance of public confidence in the governmental process, I have
 often stated that I would consider favorably any bill which embodies a reason-
 able approach to the problem. As indicated by my recent approval of Assembly
 Bill No. 466, the "Legislative Activities Disclosure Act," despite my reservations
 as to its efficacy, I am well aware that it would be painful to
 consider any perfection in this highly sensitive area. I also recognize that
 in many instances, a hesitant first step into uncharted territory may be
 preferable to nothing at all. Finally, I appreciate what the possible role
 of Senate Bill No. 466 may be upon its return to the Senate with recommendations
 to strengthen it.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

November 16, 1964

SENATE BILL NO. 40

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 40, with my objections, for reconsideration.

Senate Bill No. 40 represents the first response of the Legislature to the vital and subsisting public need for legislation to define and prohibit conflicts between the official obligations and the private interests of members, officers, and employees of the legislative and executive branches of government. When viewed as the culmination of many years of concerted effort by responsible legislators, public officials and private citizens to secure the passage of a meaningful law on this subject, the bill in some respects must be ranked as a major disappointment to all who regard public service as a public trust.

In the course of my past attempts to persuade the Legislature that the adoption of a truly viable conflicts of interest law is indispensable to the maintenance of public confidence in the governmental process, I have often stated that I would consider favorably any bill which embodies a reasonable approach to the problem. As indicated by my recent approval of Assembly Bill No. 466, the "Legislative Activities Disclosure Act," despite my reservations as to its efficacy, I am well aware that it would be pointless to insist upon perfection in this highly sensitive area. I also recognize that in some instances, a hesitant first step into uncharted territory may be preferable to nothing at all. Finally, I appreciate what the possible fate of Senate Bill No. 40 may be upon its return to the Senate with recommendations to strengthen it.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

Senate Bill No. 40

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After careful consideration, however, I am convinced that this bill in its present form does not meet even the most minimal standards which reasonable men might expect of a workable conflicts of interest law, and that my unqualified approval of the bill would hinder rather than advance the cause of good government in New Jersey. Accordingly, I am returning this measure to the Senate for reconsideration in the light of the objections discussed herein. I do so with the earnest hope that the Senate will take a fresh look at its responsibilities to the citizens of this State.

At this point, it may be noted that my remarks are largely addressed to the Senate, rather than to the Legislature as a whole, for good reason. The General Assembly, as in previous years, once again has passed and sent to the Senate a conflicts of interest bill which represents a realistic effort to come to grips with the problem. Once again, as in previous years, the Assembly bill has been rejected by the Senate. Although this measure, Assembly Bill No. 90, may possess certain shortcomings, it is generally a strong and meaningful bill which does credit to the House of its passage. A comparison of the salient features of Assembly Bill No. 90 with those of Senate Bill No. 40 may serve as a useful frame of reference within which to outline my objections to the bill before me.

I

First, both bills specify in detail the types of conduct in which legislators and State officers, employees and appointees would be forbidden to engage. Both bills also provide for the promulgation of a "code of ethics" for each State agency, by which members of that agency must abide on pain of dismissal or other internal disciplinary action. But where Assembly Bill No. 90 would penalize all violations of its substantive prohibitions as misdemeanors, with no distinction between legislators and others in that regard, Senate Bill No. 40 contains no comparable sanctions of any kind.

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EXECUTIVE DEPARTMENT

Senate Bill No. 40

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As to State officers, employees and appointees, the bill would authorize removal or other departmental punishment for the sort of misconduct which has always constituted cause for removal. As to legislators, the bill envisions a procedure whereby each House would establish a Standing Committee on Ethics to receive and investigate, "in closed executive session," complaints against members of that House involving charges of conflicts of interest. Upon a finding that an accusation is serious enough to warrant action by the House, and is supported by sufficient evidence, this committee would report that finding to the House, again in executive session. If the House as a body agrees with the findings of the Ethics Committee, the matter "may" be referred to another committee for hearing. If it is determined by that committee that the accused "is guilty of a violation of any of the principles set forth in this act," the House "may" punish him by censure, expulsion or "such other penalty as the Constitution shall permit."

As can be seen, the difficulty with these "sanctions" is that they add absolutely nothing to existing law. No new legislation is needed to authorize the dismissal for cause of unfaithful State officers and employees. No legislation is required to empower the Legislature to discipline errant members, and to establish internal procedural machinery for that purpose. These powers have long existed, but the problem persists. What is urgently needed by way of legislation, as a truly effective deterrent against official improprieties, is the assurance of certain and impartial enforcement of a conflicts code or law.

As noted, Assembly Bill No. 90 would rely upon the imposition of criminal penalties for enforcement. I am not convinced that it is particularly appropriate to treat breaches of any code of professional ethics as crimes in and of themselves, for I agree substantially with those who maintain that public exposure and the resultant discredit ordinarily are punishment enough.

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EXECUTIVE DEPARTMENT

Senate Bill No. 40

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Nevertheless, criminal sanctions do possess the virtue of assuring an impartial investigation by an independent tribunal of charges of conflicts of interest, together with a public accounting through the judicial process by persons who have betrayed the public trust.

The objective of impartial enforcement can be realized without resort to criminal penalties, but not by granting to the Legislature the exclusive power to hear and determine charges against its own members in closed session, or by leaving accusations against State officers and employees exclusively to internal departmental disposition. In particular, I cannot agree that the members of the Legislature generally should be shouldered with the distasteful assignment of passing upon charges against their colleagues. No man should be asked to act as his own judge.

It would be unwise to vest in the Legislature the responsibility for enforcement of its code of conduct for another equally important reason. For good cause or not, public attention to the subject of conflicts of interest long has been focused primarily upon the activities of the Legislature. In order to assure the confidence of our citizens in their government, it is imperative that no suspicion concerning the bona fides of the Legislature be given a basis for existence. In a society which derives its order from the consent of the governed, men in public office not only should do justice but also should satisfy the people that justice has in fact been done. If Senate Bill No. 40 were approved, it could increase rather than dispel public cynicism toward the Legislature. It is not difficult to forecast that the exoneration of an accused legislator by the membership of his House would be attended by suspicion that the charge was neither diligently investigated nor disposed of on its merits. The recent United States Senate investigations indicate the insurmountable obstacles any body must face when it seeks to judge itself.

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Senate Bill No. 40

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After careful consideration, therefore, I am recommending that this bill be amended to adopt a third course which lies between criminal penalties and internal legislative self-judgment. As an alternative, I propose that the State House Commission, as an appropriate independent and disinterested tribunal, be empowered to hear and determine the validity of all complaints regarding violations of the substantive prohibitions specified by the bill. This commission, composed of responsible members of both the executive and the legislative branches, can be well suited for the task. The suggested amendment would establish civil penalties for all violations by members and employees of the executive branch, and would authorize their suspension or removal from State office or employment.

In the case of members and employees of the Legislature, the State House Commission would report its findings to the appropriate House with a recommendation as to what action, if any, should be taken by that House against the offender. Such a procedure, while it would defer to the right of each House of the Legislature to judge the qualifications of its own members, would assure the public that a full and fair hearing will be given to all charges of legislative conflicts of interest by an impartial body. Once the question of guilt or innocence in a given case has been established publicly by the commission, I have no doubt that the House of the offender's membership can take appropriate action with the full confidence of the public behind it.

This proposal is offered with my sincere hope that the Senate will embrace it as an acceptable compromise between the harshness of criminal penalties and the illusory sanctions now contained in the bill. At the same time, I wish to emphasize that although this amendment represents the approach which I happen to prefer, I would approve the criminal penalty provisions of Assembly Bill No. 90 if the Senate should decide to pass that bill instead.

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Senate Bill No. 40

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II

Turning next to an examination of the particular types of conduct which Senate Bill No. 40 would prohibit, I feel that the bill generally establishes a reasonably satisfactory standard of conduct to be observed by legislators and other public officials, with two notable exceptions. First, this measure, unlike Assembly Bill No. 90, would authorize legislators and others to carry on settlement negotiations with State agencies during the pendency of judicial condemnation proceedings. Secondly, the bill would allow legislators and others to practice before State agencies, provided that the amount of their fees are not contingent upon the action taken by the agency. I do not believe that either of these activities is in the public interest, and ordinarily I might recommend the deletion from the bill of those provisions.

I cannot escape the conviction, however, that the repassage and enactment of this bill with provision for impartial enforcement would, on balance, constitute a salutary step. As stated above, I have not found it possible to demand perfection from this sort of legislation. I have decided, therefore, that the chances of this measure's repassage should not be jeopardized by further substantive changes at this time. Thus, I have not recommended any change in the provisions involving dealings with State agencies, with the hope that the enforcement changes I have suggested will meet approval.

III

The remainder of my objections to the bill in its present form are relatively minor, but should be noted. First, public-spirited citizens who undertake to serve without compensation on governmental boards and commissions should be excluded from the general definitional sections, and should be covered only by those provisions of the bill which are pertinent to their situations. Such persons function in a narrow sphere, usually on a part-time basis, and should not be disqualified from dealing with the State in

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Senate Bill No. 40

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areas which have no connection with their public activities and do not in fact involve conflicts of interest.

Additionally, the section which limits the right of former State officers, employees and appointees to receive compensation for services rendered in the area of State government in which they were previously employed should be clarified. The bill now provides that no such person shall accept compensation for services rendered before a State agency in any "cause, proceeding, application or other matter in which he has given an opinion, made an investigation or has been directly concerned in the course of his duties." I agree that as a matter of ordinary ethical conduct no former officer or employee of the State should have the right to leave State employment for the purpose of using the knowledge he has gained against his former employer. This prohibition, therefore, is an appropriate one. The bill's present provisions, however, are so vague as to defy reasonable interpretation. I have suggested language which should help to clarify the application of this section to such former officers and employees.

For the reasons set forth above, I herewith return Senate Bill No. 40 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 8, after "agency" insert "; but it shall not include persons who serve without salary or other compensation for their services".

On page 2, section 1, line 15, after "government" insert ", nor shall it include persons who serve without salary or other compensation for their services".

On page 4, section 6, line 2, after "appointee" insert ", including persons who serve without salary or other compensation for their services,".

On page 4, section 8, line 2, after "agency," insert "including persons who serve without salary or other compensation for their services,".

On page 5, section 8, line 8, after "employee" insert ", person".

On page 5, section 9, line 2, after "appointee" insert ", including persons who have served without salary or other compensation for their services,".

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

Senate Bill No. 40

- 8 -

On page 5, section 9, line 5, delete "in any cause, proceeding, application or other matter".

On page 5, section 9, line 6, delete line 6 in its entirety.

On page 5, section 9, line 7, delete "concerned in the course of his duties," and insert in lieu thereof "in connection with any matter in which he personally was concerned in the course of his duties in the agency in which he was employed or served,"

On page 7, section 11, line 21, delete "or legislation".

On page 7, section 11, line 33, delete "or of the provisions of this chapter".

On page 7, section 11, line 38, delete "and legislation".

On page 7, section 11, line 41, delete "the provisions of this chapter and".

On pages 8 and 9, sections 13, 14, 15, 16 and 17, delete these sections in their entirety and insert in lieu thereof:

"13. (a) The State House Commission shall have jurisdiction to hear complaints regarding violations of this act and any complaints regarding violations of codes of ethics referred to it by the Commission on Ethical Standards. Any person, other than a member or appointee of the Legislature, who shall be found guilty by the Commission of violating any of the provisions of this act or the provisions of any such code shall be fined not less than \$100.00 nor more than \$500.00. Such penalty may be collected in a summary proceeding pursuant to the Penalty Enforcement law (N.J.S. 2A:58-1).

"(b) In the case of any person, other than a member or appointee of the Legislature, the Commission may order any such person found guilty suspended from his office or employment for a period not in excess of 1 year. If the Commission shall find that the conduct of such officer, employee or appointee represents a willful and continuous disregard of the provisions of this act or such code, the Commission may order such person removed from his office or employment and may further bar such person from public employment in this State in any capacity whatsoever for a period not in excess of 5 years from the date he was found guilty by the Commission.

"(c) In the case of a member or appointee of the Legislature, the Commission shall report its findings to the House of the Legislature in which such person shall be a member or appointee and shall recommend to such House such action, as in its opinion, shall be appropriate under the circumstances. It shall be the sole responsibility of such House of the Legislature to determine what action, if any, shall be taken against such member or appointee.

"14. The State House Commission, in order to carry out the provisions of this act, shall have the power to conduct investigations, hold hearings, compel the attendance of witnesses and the production before it of such books and papers as it may deem necessary, proper and relevant to the matter under investigation. The members of the Commission and the persons appointed by the Commission for such purpose are hereby empowered to administer oaths and examine witnesses under oath.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

Senate Bill No. 40

- 9 -

"15. (a) Within the limits of available appropriations, the State House Commission, subject to the approval of the Governor, may employ counsel and other professional personnel and employees, fix their compensation and assign their duties and responsibilities.

"(b) The State House Commission shall adopt such rules and regulations as shall be necessary to implement the provisions of this act."

On page 9, section 18, line 1, delete "18." and insert in lieu thereof "16."

Respectfully,

RICHARD J. HUGHES

GOVERNOR

[SEAL]

Attest:

LAWRENCE BILDER

Acting Secretary to the Governor

SENATE, No. 81

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1965

By Senators OZZARD, GROSSI and WADDINGTON

Referred to Committee on Judiciary

An Act regulating the conduct of legislators, State officers and employees and State appointees with respect to conflicts of interest between public duties and personal, business or professional interests, establishing a Commission on Ethical Standards, in the Executive Branch of the State Government and vesting certain powers in the State House Commission.

1 BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

2 1. As used in this chapter, except as may be otherwise indicated by the context:

3 (a) "State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, commission or other instrumentality within such department and any independent State authority, commission, instrumentality or agency.

7 (b) "Officer or employee of a State agency" means a person holding an office, position or employment in a State agency; but it shall not include persons who serve without salary or other compensation for their services.

10 (c) "State appointee" means a person (other than an officer or employee of a State agency) who holds an office, position or employment in the State Government and who was or shall be appointed to such office, position or employment by the Governor, by the Legislature, or by any officer, board, bureau, commission or other instrumentality in the executive or legis-

15 lative branch of State Government. It does not include members of the
 16 judiciary or officers or employees of the judicial branch of the government,
 17 nor shall it include persons who serve without salary or other compensation
 18 for their services.

19 (d) "Department" means one of the principal departments in the Execu-
 20 tive Branch of the State Government provided for in Article V, Section IV,
 21 paragraph 1 of the Constitution.

22 (e) "Compensation" means any money, thing of value, or financial bene-
 23 fit conferred in return for services rendered or to be rendered, but it does
 24 not include the salary or other payment provided by law or appropriation
 25 for services rendered in a public office, position or employment.

1 2. Declaration of Intent. In our democratic form of government, it is
 2 essential that the conduct of public officials and employees shall hold the
 3 respect and confidence of the people. Public officials must therefore avoid
 4 conduct which is in violation of their public trust or which creates a justifi-
 5 able impression among the public that it violates that trust. To this end,
 6 conscientious public officials should have specific standards to guide their
 7 conduct, and the few unfaithful officials a deterrent, by statutory prohibi-
 8 tion where the matter is sufficiently clear or defined, or by code of ethics
 9 where demanded by complexity and variety of circumstances. It is at the
 10 same time recognized that under a free government it is both necessary and
 11 desirable that all citizens, public officials included, should have certain spe-
 12 cific interests in the decisions of government, and that the activities and
 13 conduct of public officials should not, therefore, be unduly circumscribed.

1 3. The following general standards of conduct are hereby established:

2 (a) No member of the Legislature, officer or employee of a State agency
 3 or State appointee shall:

4 (1) Have any interest, financial or otherwise, direct or indirect, or
 5 engage in any business or transaction or professional activity, which is
 6 in substantial conflict with the proper discharge of his duties in the
 7 public interest.

8 In any case where such prohibition, this act shall take effect immediately.

8 (2) Use or attempt to use his official position to secure unwarranted
9 privileges or advantages for himself or others.

10 (3) Engage in any transaction as representative or agent of the
11 State with any business entity in which he has a direct or indirect finan-
12 cial interest that might reasonably tend to conflict with the proper dis-
13 charge of his official duties.

14 (4) Accept any gift, favor, service or other thing-of value that might
15 reasonably tend to influence him in the discharge of his official duties.

16 (b) To the extent that any conduct or activity in the practice or pur-
17 suit of a profession or occupation is not prohibited by the provisions of this
18 act or any other statute, such conduct or activity shall be governed by the
19 respective canons of professional ethics, or code of ethics, if any, applicable
20 to the profession or occupation, and in the case of officers or employees of a
21 State agency or State appointees in a State agency, by the rules of the Civil
22 Service Commission and by the provisions of a code of ethics duly promul-
23 gated pursuant to this act, either or both, as the case may be.

24 (c) Rules of conduct adopted pursuant to these principles should recog-
25 nize that under our democratic form of government, public officials and em-
26 ployees should be drawn from all of our society, that citizens who serve in
27 government cannot and should not be expected to be without any personal
28 interest in the decisions and policies of government; that citizens who are
29 government officials and employees have a right to private interests of a per-
30 sonal, financial and economic nature; that standards of conduct should sep-
31 arate those conflicts of interest which are unavoidable in a free society from
32 these conflicts of interest which are substantial and material, or which bring
33 the government into disrepute.

1 4. No member of the Legislature, officer or employee of a State agency,
2 or State appointee shall knowingly receive or agree to receive, directly or
3 indirectly, compensation for any services to be rendered, either by himself or
4 another, in negotiations with the State or a State agency for the purchase
5 by the State or a State agency of an interest in real property. This section

6 of the act shall not apply to any contract for the purchase of real property by the State or a State agency.

6 shall not apply to appearances before any court, or any condemnation commission appointed by it, nor to any negotiations for the settlement of any matter pending, or arising out of any controversy pending, before any court of condemnation commission.

5. No member of the Legislature, officer or employee of a State agency, or State appointee shall receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any case, proceeding, application or other matter before any State agency, whereby his compensation is to be dependent or contingent upon any action by such agency with respect to any license, contract, certificate, ruling, decision, opinion, wage schedule, franchise, or other benefit; provided, however, that nothing in this section shall be deemed to prohibit the fixing, at any time, of fees authorized by statute or based upon the reasonable value of the services rendered.

6. No member of the Legislature, officer or employee of a State agency, or State appointee, including persons who serve without salary or other compensation for their services, shall act as officer or agent for the State for the transaction of any business with himself, or with a corporation, company, association or firm in the pecuniary profits of which he has an interest, except that ownership or control of 10% or less of the stock of a corporation shall not be deemed an interest within this section.

7. No member of the Legislature, officer or employee of a State agency, or State appointee shall knowingly himself, or by his partners or through any corporation which he controls or in which he owns or controls more than 10% of the stock, or by any other person for his use or benefit or on his account, undertake, execute, hold or enjoy, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by any State agency, unless said contract, agreement, sale or purchase was made or let after public notice and competitive bidding.

8. No officer or employee of a State agency, or State appointee in a State agency, including persons who serve without salary or other compensation for

3 their services, shall knowingly receive or agree to receive, directly or in-
 4 directly, compensation for any services rendered or to be rendered, either by
 5 himself or another, in any cause, proceeding, application or other matter
 6 which is before said State agency, or in any cause, proceeding, application or
 7 other matter which is before any other State agency, the action or determina-
 8 tion of which is, by statute, reviewable before the State agency in which such
 9 officer, employee, person or State appointee functions. This section shall not
 10 apply to part-time officers, employees or appointees in the Transfer Inherit-
 11 ance Tax Bureau, but such officers, employees and appointees shall be gov-
 12 erned by the pertinent code of ethics promulgated in accordance with the
 13 provisions of this act hereinafter set forth and by the State agency code of
 14 regulations, as from time to time amended, applicable to them.

1 9. No person who has served as an officer or employee of a State agency, or
 2 as a State appointee, including persons who have served without salary or
 3 other compensation for their services, shall knowingly receive or agree to
 4 receive, directly or indirectly, compensation for any services rendered or to
 5 be rendered, either by himself or another, within 2 years after the termina-
 6 tion of his employment or service, in connection with any particular case or
 7 matter in which he was personally and directly active in the course of his
 8 duties in the agency in which he was employed or served, unless such service
 9 shall be rendered to or for the State.

1 10. (a) The head of each State agency, or the principal officer in charge
 2 of a division, board, bureau, commission or other instrumentality, within a
 3 department in the Executive Branch of the State Government designated by
 4 the head of such department for the purposes hereinafter set forth, shall
 5 within 6 months from the effective date of this enactment, promulgate a code
 6 of ethics to govern and guide the conduct of the State officers and employees
 7 or State appointees of such agency or department, including persons who
 8 serve without salary or other payment for their services in the agency to
 9 which said code is applicable. Such code shall conform to the general stand-
 10 ards hereinbefore set forth, but it shall be formulated with respect to the par-
 11 ticular needs and problems of the agency to which said code is to apply.

(b) A code of ethics formulated pursuant to this section, or any portion of such a code, shall not be effective unless it has first been approved by the Commission on Ethical Standards in Government. When a proposed code is submitted to the commission, it shall be accompanied by an opinion of the Attorney General which shall evaluate the code both as to form and substance. Nothing contained herein shall prevent officers of State agencies from consulting with the commission or with the Attorney General at any time in connection with the preparation or revision of such codes of ethics.

(c) Violations of a code of ethics adopted pursuant to this section shall be cause for removal, suspension, demotion or other disciplinary action by the State officer or agency having the power of removal or discipline. When a person who is in the classified civil service is charged with a violation of such a code of ethics, the procedure shall be governed by any applicable provisions of the Civil Service Law and the rules of the Department of Civil Service.

11. (a) There is hereby established in the Department of Law and Public Safety a Commission on Ethical Standards, in the Executive Branch of the State Government.

(b) The commission shall be composed of 5 members, who shall be appointed by the Governor, with the advice and consent of the Senate. Each member of the commission, except for first appointments, shall be appointed for a term of 5 years and until his successor has qualified. The first appointments shall be made for the following terms: 2 for terms of 5 years and 3 for terms of 2 years; thereafter appointments shall be for a full term. Not more than 3 of the members of the commission shall be of the same political party. No member of the commission shall hold any other office, position or employment under this State or any political subdivision thereof or under the United States. Each member of the commission shall serve without compensation but shall be reimbursed for expenses actually and necessarily incurred by him in the performance of his official duties. The commission shall have a secretary, who shall be appointed by the commission.

17 (c) The Attorney General shall act as legal adviser and counsel to the
 18 commission. He shall, upon request, advise and assist the commission in the
 19 rendering of advisory opinions by the commission, in the approval and re-
 20 view of codes of ethics adopted by State agencies, and in the recommenda-
 21 tion of revisions in codes of ethics relating to the conduct of State officers
 22 and employees, in the Executive Branch of the State Government.

23 (d) The commission shall:

24 (1) Receive complaints concerning violations of codes of ethics or
 25 other improper conduct by officers or employees of a State agency, or
 26 State appointees, in the Executive Branch of the State Government. If
 27 the complaint warrants it, it shall transmit such complaint to the ap-
 28 propriate authority;

29 (2) Review and approve or disapprove codes of ethics or a portion
 30 thereof, formulated pursuant to section 10 of this act;

31 (3) Upon request, render advisory opinions as to whether a given
 32 set of facts and circumstances would, in the commission's opinion, involve
 33 a violation of a code of ethics by officers or employees of a State agency
 34 or State appointees in the Executive Branch of the State Government.
 35 Such opinions shall be filed with the Secretary of State;

36 (4) Make such recommendations as it deems necessary for revisions
 37 in the codes of ethics relating to conflicts of interest in the performance
 38 of official duties by such State officers and employees.

39 (e) The commission shall every 5 years review in an advisory capacity
 40 the codes of ethics adopted pursuant thereto and make recommendations to
 41 the appropriate authorities.

42 (f) The commission shall publish periodically its advisory opinions with
 43 such deletions as it may deem appropriate to prevent the disclosure of the
 44 identity of officers and employees involved.

45 Nothing contained herein shall prevent the receipt of such complaints
 46 directly by a State agency or officer or the taking of appropriate independent
 47 action by State agencies or officers in cases involving charges of violations
 48 of a code of ethics, or other improper conduct.

1 12. The Commission on Ethical Standards shall be entitled to avail itself
2 of the services of such State departments and personnel as it may require
3 and as may be available to it. Within the limits of funds appropriated or
4 otherwise made available, it may incur such expenses as it may deem neces-
5 sary in order to perform its duties.

1 13. (a) The State House Commission shall have jurisdiction to hear com-
2 plaints regarding violations of this act except as limited by the provisions of
3 section 10 (c) of this act and any complaints regarding violations of codes of
4 ethics referred to it by the Commission on Ethical Standards. Any complaint
5 referred to the commission shall be considered in executive session to deter-
6 mine whether the evidence available establishes, prima facie, that a violation
7 has occurred. The commission may dismiss any complaint which is not sup-
8 ported by evidence establishing a prima facie case. In all other cases, the
9 commission shall hold public hearings to determine whether a violation has
10 occurred. At such hearing, any person accused shall have the right to attend
11 and be represented by counsel.

12 (b) In the case of any person, other than a member or appointee of the
13 Legislature, the commission may order any such person found guilty suspended
14 from his office or employment for a period not in excess of 1 year. If the com-
15 mission shall find that the conduct of such officer, employee or appointee
16 represents a willful and continuous disregard of the provisions of this act or
17 such code, the commission may order such person removed from his office or
18 employment and may further bar such person from public employment in this
19 State in any capacity whatsoever for a period not in excess of 5 years from
20 the date he was found guilty by the commission.

21 (c) In the case of a member or appointee of the Legislature, the commis-
22 sion shall report its findings to the House of the Legislature in which such per-
23 son shall be a member or appointee and shall recommend to such House such
24 action, as in its opinion, shall be appropriate under the circumstances. It shall
25 be the sole responsibility of such House of the Legislature to determine what
26 action, if any, shall be taken against such member or appointee.

1 14. The State House Commission, in order to carry out the provisions of
 2 this act, shall have the power to conduct investigations, hold hearings, compel
 3 the attendance of witnesses and the production before it of such books and
 4 papers as it may deem necessary, proper and relevant to the matter under in-
 5 vestigation. The members of the commission and the persons appointed by the
 6 commission for such purpose are hereby empowered to administer oaths and
 7 examine witnesses under oath.

1 15. (a) Within the limits of available appropriations, the State House
 2 Commission, subject to the approval of the Governor, may employ counsel
 3 and other professional personnel and employees, fix their compensation and
 4 assign their duties and responsibilities.

5 (b) The State House Commission shall adopt such rules and regulations
 6 as shall be necessary to implement the provisions of this act.

1 to 16. This act shall take effect 30 days after the date of approval.

Amend page 2, line 15, line 2, delete "Section 10 (c) of this act".

Amend page 3, Section 12, line 4, after "Standards" insert "pursuant to
 paragraph (d) (1) of Section 11 of this act".

Amend page 3, Section 12, line 13, after "(b)" delete the remainder of the
 line.

Amend page 3, Section 13, line 1, delete "Legislature, the" insert "The".

Amend page 3, Section 13, lines 21 to 26, delete in their entirety.

Amend page 3, Section 13, line 8, after line 16" insert a new section 16, as
 follows:

16. Each House of the Legislature shall have jurisdiction to hear com-
 plaints regarding violations of this act by its members and appointees, respec-
 tively, and in the case of all other legislative appointees, the Senate shall
 have exclusive jurisdiction. Each complaint shall be considered by the House having
 jurisdiction thereof to determine whether the evidence available establishes,
 prima facie, that a violation has occurred and any complaint which is not sup-
 ported by evidence establishing a prima facie case, may be dismissed. In all

SENATE COMMITTEE AMENDMENTS TO

SENATE, No. 81

STATE OF NEW JERSEY

ADOPTED MAY 10, 1965

Amend page 1, Title, line 5, after "commission" insert "the General Assembly and the Senate".

Amend page 4, section 4, line 9, delete "of" insert "or".

Amend page 8, section 13, line 2, after "act" insert "by officers or employees of a State agency or State appointees in the Executive Branch of the State Government" and delete the remainder of line.

Amend page 8, section 13, line 3, delete "section 10 (c) of this act".

Amend page 8, section 13, line 4, after "Standards" insert "pursuant to paragraph (d) (1) of section 11 of this act".

Amend page 8, section 13, line 12, after "(b)" delete the remainder of the line.

Amend page 8, section 13, line 13, delete "Legislature, the" insert "The".

Amend page 8, section 13, lines 21 to 26, delete in their entirety.

Amend page 9, section 15, line 6, after line "6" insert a new section 16, as follows:

"16. Each House of the Legislature shall have jurisdiction to hear complaints regarding violations of this act by its members and appointees, respectively, and in the case of all other legislative appointees, the Senate shall have such jurisdiction. Each complaint shall be considered by the House having jurisdiction thereof to determine whether the evidence available establishes, prima facie, that a violation has occurred and any complaint which is not supported by evidence, establishing a prima facie case, may be dismissed. In all

other cases, hearings shall be held to determine whether a violation has occurred. At such hearing, any person accused shall have the right to attend and be represented by counsel.

Each House shall by its rules determine its procedures in connection with such complaints, and shall have the sole responsibility to determine what action, if any, shall be taken against the member or appointee complained against."

Amend page 9, section 16, line 1, delete "16." insert "17."

Amend page 1, Title line 3, after "Commission," insert "the House of Representatives and the Senate."

Amend page 4, section 4, line 9, delete "or," insert "and."

Amend page 8, section 13, line 8, after "and," insert "by officers or employees of a State agency or State appointee in the Executive Branch of the State Government," and delete the remainder of line 8.

Amend page 8, section 13, line 8, delete "section 10 (c) of this act."

Amend page 8, section 13, line 4, after "State," insert "and the remainder of line 4."

paragraph (b) (1) of section 11 of this act."

Amend page 8, section 13, line 12, after "(b)" delete the remainder of the line.

line

Amend page 8, section 13, line 13, delete "Legislative," insert "and."

Amend page 8, section 13, lines 21 to 26, delete in their entirety.

Amend page 9, section 16, line 6, after line "6," insert a new section 16, as follows:

follows:

"16. Each House of the Legislature shall have jurisdiction to hear complaints regarding violations of this act by its members and appointees, respectively, and in the case of all other legislative appointees, the Senate shall have such jurisdiction. Each complaint shall be considered by the House having jurisdiction thereof to determine whether the evidence available establishes prima facie that a violation has occurred and any complaint which is not supported by evidence, establishing a prima facie case, may be dismissed. In all

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SENATE, No. 81

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1965

By Senators OZZARD, GROSSI, WADDINGTON and DEAMER

Referred to Committee on Judiciary

AN ACT regulating the conduct of legislators, State officers and employees and

State appointees with respect to conflicts of interest between public duties

and personal, business or professional interests, establishing a Commission

on Ethical Standards, in the Executive Branch of the State Government

and vesting certain powers in the State House Commission*, the General

Assembly and the Senate*.

BE IT ENACTED, by the Senate and General Assembly of the State of New

Jersey:

1. As used in this chapter, except as may be otherwise indicated by the

context:

(a) "State agency" means any of the principal departments in the

Executive Branch of the State Government, and any division, board, bureau,

commission or other instrumentality within such department and any inde-

pendent State authority, commission, instrumentality or agency.

(b) "Officer or employee of a State agency" means a person holding an

office, position or employment in a State agency; but it shall not include per-

sons who serve without salary or other compensation for their services.

(c) "State appointee" means a person (other than an officer or em-

ployee of a State agency) who holds an office, position or employment in

the State Government and who was or shall be appointed to such office,

position or employment by the Governor, by the Legislature, or by any officer,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

14 board, bureau, commission or other instrumentality in the executive or legis-
 15 lative branch of State Government. It does not include members of the
 16 judiciary or officers or employees of the judicial branch of the government,
 17 nor shall it include persons who serve without salary or other compensation
 18 for their services.

19 (d) "Department" means one of the principal departments in the Execu-
 20 tive Branch of the State Government provided for in Article V, Section IV,
 21 paragraph 1 of the Constitution.

22 (e) "Compensation" means any money, thing of value, or financial bene-
 23 fit conferred in return for services rendered or to be rendered, but it does
 24 not include the salary or other payment provided by law or appropriation
 25 for services rendered in a public office, position or employment.

1 2. Declaration of Intent. In our democratic form of government, it is
 2 essential that the conduct of public officials and employees shall hold the
 3 respect and confidence of the people. Public officials must therefore avoid
 4 conduct which is in violation of their public trust or which creates a justifi-
 5 able impression among the public that it violates that trust. To this end,
 6 conscientious public officials should have specific standards to guide their
 7 conduct, and the few unfaithful officials a deterrent, by statutory prohibi-
 8 tion where the matter is sufficiently clear or defined, or by code of ethics
 9 where demanded by complexity and variety of circumstances. It is at the
 10 same time recognized that under a free government it is both necessary and
 11 desirable that all citizens, public officials included, should have certain spe-
 12 cific interests in the decisions of government, and that the activities and
 13 conduct of public officials should not, therefore, be unduly circumscribed.

1 3. The following general standards of conduct are hereby established:

2 (a) No member of the Legislature, officer or employee of a State agency
 3 or State appointee shall:

4 (1) Have any interest, financial or otherwise, direct or indirect, or
 5 engage in any business or transaction or professional activity, which is
 6 in substantial conflict with the proper discharge of his duties in the
 7 public interest.

8 (2) Use or attempt to use his official position to secure unwarranted
9 privileges or advantages for himself or others.

10 (3) Engage in any transaction as representative or agent of the
11 State with any business entity in which he has a direct or indirect finan-
12 cial interest that might reasonably tend to conflict with the proper dis-
13 charge of his official duties.

14 (4) Accept any gift, favor, service or other thing of value that might
15 reasonably tend to influence him in the discharge of his official duties.

16 (b) To the extent that any conduct or activity in the practice or pur-
17 suit of a profession or occupation is not prohibited by the provisions of this
18 act or any other statute, such conduct or activity shall be governed by the
19 respective canons of professional ethics, or code of ethics, if any, applicable
20 to the profession or occupation, and in the case of officers or employees of a
21 State agency or State appointees in a State agency, by the rules of the Civil
22 Service Commission and by the provisions of a code of ethics duly promul-
23 gated pursuant to this act, either or both, as the case may be.

24 (c) Rules of conduct adopted pursuant to these principles should recog-
25 nize that under our democratic form of government, public officials and em-
26 ployees should be drawn from all of our society, that citizens who serve in
27 government cannot and should not be expected to be without any personal
28 interest in the decisions and policies of government; that citizens who are
29 government officials and employees have a right to private interests of a per-
30 sonal, financial and economic nature; that standards of conduct should sep-
31 arate those conflicts of interest which are unavoidable in a free society from
32 these conflicts of interest which are substantial and material, or which bring
33 the government into disrepute.

1 4. No member of the Legislature, officer or employee of a State agency,
2 or State appointee shall knowingly receive or agree to receive, directly or
3 indirectly, compensation for any services to be rendered, either by himself or
4 another, in negotiations with the State or a State agency for the purchase
5 by the State or a State agency of an interest in real property. This section

not hold any person liable for any act or omission of a person or persons.

6 shall not apply to appearances before any court, or any condemnation com-
 7 mission appointed by it, nor to any negotiations for the settlement of any
 8 matter pending, or arising out of any controversy pending, before any court
 9 ~~of~~ ~~or~~ condemnation commission.

1 5. No member of the Legislature, officer or employee of a State agency,
 2 or State appointee shall receive, or enter into any agreement, express or
 3 implied, for compensation for services to be rendered in relation to any case,
 4 proceeding, application or other matter before any State agency, whereby his
 5 compensation is to be dependent or contingent upon any action by such agency
 6 with respect to any license, contract, certificate, ruling, decision, opinion,
 7 wage schedule, franchise, or other benefit; provided, however, that nothing in
 8 this section shall be deemed to prohibit the fixing, at any time, of fees
 9 authorized by statute or based upon the reasonable value of the services
 10 rendered.

1 6. No member of the Legislature, officer or employee of a State agency,
 2 or State appointee, including persons who serve without salary or other com-
 3 pensation for their services, shall act as officer or agent for the State for the
 4 transaction of any business with himself, or with a corporation, company,
 5 association or firm in the pecuniary profits of which he has an interest, ex-
 6 cept that ownership or control of 10% or less of the stock of a corporation
 7 shall not be deemed an interest within this section.

1 7. No member of the Legislature, officer or employee of a State agency,
 2 or State appointee shall knowingly himself, or by his partners or through
 3 any corporation which he controls or in which he owns or controls more than
 4 10% of the stock, or by any other person for his use or benefit or on his
 5 account, undertake, execute, hold or enjoy, in whole or in part, any contract,
 6 agreement, sale or purchase of the value of \$25.00 or more, made, entered
 7 into, awarded or granted by any State agency, unless said contract, agree-
 8 ment, sale or purchase was made or let after public notice and competitive
 9 bidding.

1 8. No officer or employee of a State agency, or State appointee in a State
 2 agency, including persons who serve without salary or other compensation for

3 their services, shall knowingly receive or agree to receive, directly or in-
 4 directly, compensation for any services rendered or to be rendered, either by
 5 himself or another, in any cause, proceeding, application or other matter
 6 which is before said State agency, or in any cause, proceeding, application or
 7 other matter which is before any other State agency, the action or determina-
 8 tion of which is, by statute, reviewable before the State agency in which such
 9 officer, employee, person or State appointee functions. This section shall not
 10 apply to part-time officers, employees or appointees in the Transfer Inherit-
 11 ance Tax Bureau, but such officers, employees and appointees shall be gov-
 12 erned by the pertinent code of ethics promulgated in accordance with the
 13 provisions of this act hereinafter set forth and by the State agency code of
 14 regulations, as from time to time amended, applicable to them.

1 9. No person who has served as an officer or employee of a State agency, or
 2 as a State appointee, including persons who have served without salary or
 3 other compensation for their services, shall knowingly receive or agree to
 4 receive, directly or indirectly, compensation for any services rendered or to
 5 be rendered, either by himself or another, within 2 years after the termina-
 6 tion of his employment or service, in connection with any particular case or
 7 matter in which he was personally and directly active in the course of his
 8 duties in the agency in which he was employed or served, unless such service
 9 shall be rendered to or for the State.

1 10. (a) The head of each State agency, or the principal officer in charge
 2 of a division, board, bureau, commission or other instrumentality, within a
 3 department in the Executive Branch of the State Government designated by
 4 the head of such department for the purposes hereinafter set forth, shall
 5 within 6 months from the effective date of this enactment, promulgate a code
 6 of ethics to govern and guide the conduct of the State officers and employees
 7 or State appointees of such agency or department, including persons who
 8 serve without salary or other payment for their services in the agency to
 9 which said code is applicable. Such code shall conform to the general stand-
 10 ards hereinbefore set forth, but it shall be formulated with respect to the par-
 11 ticular needs and problems of the agency to which said code is to apply.

12 (b) A code of ethics formulated pursuant to this section, or any portion
 13 of such a code, shall not be effective unless it has first been approved by the
 14 Commission on Ethical Standards in Government. When a proposed code is
 15 submitted to the commission, it shall be accompanied by an opinion of the
 16 Attorney General which shall evaluate the code both as to form and sub-
 17 stance. Nothing contained herein shall prevent officers of State agencies
 18 from consulting with the commission or with the Attorney General at any
 19 time in connection with the preparation or revision of such codes of ethics.

20 (c) Violations of a code of ethics adopted pursuant to this section shall
 21 be cause for removal, suspension, demotion or other disciplinary action by
 22 the State officer or agency having the power of removal or discipline. When
 23 a person who is in the classified civil service is charged with a violation of such
 24 a code of ethics, the procedure shall be governed by any applicable provi-
 25 sions of the Civil Service Law and the rules of the Department of Civil
 26 Service.

27 11. (a) There is hereby established in the Department of Law and Public
 28 Safety a Commission on Ethical Standards, in the Executive Branch of the
 29 State Government.

30 (b) The commission shall be composed of 5 members, who shall be ap-
 31 pointed by the Governor, with the advice and consent of the Senate. Each
 32 member of the commission, except for first appointments, shall be appointed
 33 for a term of 5 years and until his successor has qualified. The first ap-
 34 pointments shall be made for the following terms: 2 for terms of 5 years
 35 and 3 for terms of 2 years; thereafter appointments shall be for a full term.
 36 Not more than 3 of the members of the commission shall be of the same
 37 political party. No member of the commission shall hold any other office,
 38 position or employment under this State or any political subdivision thereof
 39 or under the United States. Each member of the commission shall serve
 40 without compensation but shall be reimbursed for expenses actually and
 41 necessarily incurred by him in the performance of his official duties. The
 42 commission shall have a secretary, who shall be appointed by the commission.

17 (c) The Attorney General shall act as legal adviser and counsel to the
18 commission. He shall, upon request, advise and assist the commission in the
19 rendering of advisory opinions by the commission, in the approval and re-
20 view of codes of ethics adopted by State agencies, and in the recommenda-
21 tion of revisions in codes of ethics relating to the conduct of State officers
22 and employees, in the Executive Branch of the State Government.

23 (d) The commission shall:

24 (1) Receive complaints concerning violations of codes of ethics or
25 other improper conduct by officers or employees of a State agency, or
26 State appointees, in the Executive Branch of the State Government. If
27 the complaint warrants it, it shall transmit such complaint to the ap-
28 propriate authority;

29 (2) Review and approve or disapprove codes of ethics or a portion
30 thereof, formulated pursuant to section 10 of this act;

31 (3) Upon request, render advisory opinions as to whether a given
32 set of facts and circumstances would, in the commission's opinion, involve
33 a violation of a code of ethics by officers or employees of a State agency
34 or State appointees in the Executive Branch of the State Government.
35 Such opinions shall be filed with the Secretary of State;

36 (4) Make such recommendations as it deems necessary for revisions
37 in the codes of ethics relating to conflicts of interest in the performance
38 of official duties by such State officers and employees.

39 (e) The commission shall every 5 years review in an advisory capacity
40 the codes of ethics adopted pursuant thereto and make recommendations to
41 the appropriate authorities.

42 (f) The commission shall publish periodically its advisory opinions with
43 such deletions as it may deem appropriate to prevent the disclosure of the
44 identity of officers and employees involved.

45 Nothing contained herein shall prevent the receipt of such complaints
46 directly by a State agency or officer or the taking of appropriate independent
47 action by State agencies or officers in cases involving charges of violations
48 of a code of ethics, or other improper conduct.

12. The Commission on Ethical Standards shall be entitled to avail itself of the services of such State departments and personnel as it may require and as may be available to it. Within the limits of funds appropriated or otherwise made available, it may incur such expenses as it may deem necessary in order to perform its duties.

13. (a) The State House Commission shall have jurisdiction to hear complaints regarding violations of this act **by officers or employees of a State agency or State appointees in the Executive Branch of the State Government** **[except as limited by the provisions of section 10 (c) of this act]** and any complaints regarding violations of codes of ethics referred to it by the Commission on Ethical Standards **pursuant to paragraph (d) (1) of section 11 of this act**. Any complaint referred to the commission shall be considered in executive session to determine whether the evidence available establishes, prima facie, that a violation has occurred. The commission may dismiss any complaint which is not supported by evidence establishing a prima facie case. In all other cases, the commission shall hold public hearings to determine whether a violation has occurred. At such hearing, any person accused shall have the right to attend and be represented by counsel.

(b) **[In the case of any person, other than a member or appointee of the Legislature, the]** **The** commission may order any such person found guilty suspended from his office or employment for a period not in excess of 1 year. If the commission shall find that the conduct of such officer, employee or appointee represents a willful and continuous disregard of the provisions of this act or such code, the commission may order such person removed from his office or employment and may further bar such person from public employment in this State in any capacity whatsoever for a period not in excess of 5 years from the date he was found guilty by the commission.

**[(c) In the case of a member or appointee of the Legislature, the commission shall report its findings to the House of the Legislature in which such person shall be a member or appointee, and shall recommend to such House such action, as in its opinion, shall be appropriate under the circumstances,*

and shall report to the House of the Legislature the results of its investigation.

25 It shall be the sole responsibility of such House of the Legislature to deter-
 26 mine what action, if any, shall be taken against such member or appointee.]*

1 14. The State House Commission, in order to carry out the provisions of
 2 this act, shall have the power to conduct investigations, hold hearings, compel
 3 the attendance of witnesses and the production before it of such books and
 4 papers as it may deem necessary, proper and relevant to the matter under in-
 5 vestigation. The members of the commission and the persons appointed by the
 6 commission for such purpose are hereby empowered to administer oaths and
 7 examine witnesses under oath.

1 15. (a) Within the limits of available appropriations, the State House
 2 Commission, subject to the approval of the Governor, may employ counsel
 3 and other professional personnel and employees, fix their compensation and
 4 assign their duties and responsibilities.

5 (b) The State House Commission shall adopt such rules and regulations
 6 as shall be necessary to implement the provisions of this act.

1 *16. Each House of the Legislature shall have jurisdiction to hear com-
 2 plaints regarding violations of this act by its members and appointees, respec-
 3 tively, and in the case of all other legislative appointees, the Senate shall
 4 have such jurisdiction. Each complaint shall be considered by the House
 5 having jurisdiction thereof to determine whether the evidence available
 6 establishes, prima facie, that a violation has occurred and any complaint
 7 which is not supported by evidence, establishing a prima facie case, may be
 8 dismissed. In all other cases, hearings shall be held to determine whether a
 9 violation has occurred. At such hearing, any person accused shall have the
 10 right to attend and be represented by counsel.

11 Each House shall by its rules determine its procedures in connection with
 12 such complaints, and shall have the sole responsibility to determine what
 13 action, if any, shall be taken against the member or appointee complained
 14 against.*

1 *16.* *17.* This act shall take effect 30 days after the date of approval.

to empower the State House Commission, as an appropriate independent
 and responsible members of the executive and legislative

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

May 24, 1965

SENATE BILL NO. 81

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 81, with my objections, for reconsideration.

Senate Bill No. 81 would undertake to define and prohibit conflicts between the official obligations and the private interests of members, officers and employees of the legislative and executive branches of government. This measure, unfortunately, is but a repetition of Senate Bill No. 40 of last year, which would have reserved to each House of the Legislature the exclusive power to hear and determine all charges of impropriety against its own members. This feature of Senate Bill No. 40 constituted a nullification of the basic intent of the law and I was constrained to return that bill to the Senate with recommendations designed to provide the assurance of a full and fair hearing on such charges by an impartial body. Since Senate Bill No. 81 was deliberately amended by the Senate caucus to remove the provision relating to an impartial review of the Legislature's activities, I see no alternative but to return this bill in the hope that the conscience of the Senate will move it to pass a realistic conflicts measure. To accept Senate Bill No. 81 as a "first step" or as "half a loaf" would, I fear, remove from public view for the foreseeable future the question of a meaningful conflicts of interest law. I think it is to the advantage of the people of this State that public insistence be maintained on behalf of a law that has meaning and effect.

As you know, I proposed last year that Senate Bill No. 40 be amended to empower the State House Commission, as an appropriate independent tribunal composed of responsible members of the executive and legislative

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EXECUTIVE DEPARTMENT

Senate Bill No. 81

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branches, to adjudicate all complaints involving alleged violations by members, officers and employees of both branches. This suggestion was offered as a possible compromise between the criminal sanctions preferred by the Assembly and the illusory deterrent of secret self-examination long advocated by the Senate. The proposal deferred to the ultimate right of each House to judge the qualifications of its own members, for it would have constituted the State House Commission only as a fact-finding body with no authority to impose any penalties upon members and employees of the Legislature. The paramount aim of such an approach is not to punish the Legislature but to maintain public confidence in the governmental process by assuring certain and impartial enforcement of a conflicts law in broad daylight. Without such assurance a conflicts law can have no meaning. As

I noted in my message on Senate Bill No. 40:

"For good cause or not, public attention to the subject of conflicts of interest long has been focused primarily upon the activities of the Legislature. In order to assure the confidence of our citizens in their government, it is imperative that no suspicion concerning the bona fides of the Legislature be given a basis for existence. In a society which derives its order from the consent of the governed, men in public office not only should do justice but also should satisfy the people that justice has in fact been done. If Senate Bill No. 40 were approved, it could increase rather than dispel public cynicism toward the Legislature. It is not difficult to forecast that the exoneration of an accused legislator by the membership of his House would be attended by suspicion that the charge was neither diligently investigated nor disposed of on its merits. The recent United States Senate investigations indicate the insurmountable obstacles any body must face when it seeks to judge itself."

For these reasons, I cannot in conscience approve Senate Bill No. 81 unless the Senate will agree to authorize a disinterested body such as the State House Commission, rather than the Legislature itself, to hear and determine complaints against members of the legislative branch as well as members of the executive branch.

I am returning this bill to the Senate with a sense of total frustration in dealing with a Senate caucus which can choose to act irresponsibly

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although the individual members of that body can proclaim their own support for measures they know the people want. When I returned Senate Bill No. 40 last year, my recommendations to strengthen that measure drew an immediate and largely favorable reaction from the sponsor and many others. There was some indication during the 1964 session that the Legislature might re-pass the bill with the substance of my proposed amendments and thereby give this State its first meaningful conflicts of interest law. Although this responsible action failed to materialize, there was reason to expect that the Legislature, and particularly the Senate, would meet this fundamental obligation to the people in 1965.

On January 18, 1965, Senate Bill No. 81 was introduced with bipartisan sponsorship and was referred to the Senate Judiciary Committee. The bill had been prepared with the full cooperation of the sponsors and embodied most of my recommendations concerning Senate Bill No. 40 of last year, including the vital provision for a hearing of charges against members of the legislative and executive branches by the State House Commission. Despite this promising start, the measure languished in committee until May 10, 1965, when it was decided in the caucus to strip the State House Commission of its jurisdiction over charges involving legislative members and employees and vesting that authority exclusively in the Legislature itself. As thus amended, the bill was immediately given a second reading and passed by the Senate under "emergency" resolution on the same day. The emasculated measure was then passed by the Assembly on May 17, just one legislative meeting short of the previously announced adjournment date of May 24, 1965.

This precipitous action, coming at the end of a session marked by disinterest in conflicts legislation, makes it clear that some legislators hope to face the electorate in November with the claim of having produced a conflicts bill which rectifies the generally acknowledged deficiencies of last year's Senate Bill No. 40. Although the amended version of Senate Bill No. 81

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EXECUTIVE DEPARTMENT

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does embrace some of my proposals, it does not meet the fundamental problems which inhere in permitting the Legislature to act as its own and only judge and jury. No new legislation is required to empower the Legislature to discipline errant members and to establish internal procedural machinery for that purpose. This power has long existed, but has not been used in recent times and the problem persists. It can hardly be alleviated by a law which, in application to members of the legislative branch, adds not a single whit to the powers now held by that body.

As much as I desire the enactment of a viable conflicts of interest law, I cannot and will not be a party to the enactment of a measure which may delay the adoption of a meaningful conflicts law for many years. As I said last year, I am well aware that it would be pointless to insist upon perfection in this highly sensitive area. At the same time, the people of this State are entitled to at least a minimal showing of good faith, characterized by legislation which does not insult their intelligence.

Accordingly, I am returning Senate Bill No. 81 to the Senate today, with the earnest hope that it will be repassed today, prior to the summer recess of the Legislature, with the following amendments:

On page 8, section 13, lines 2 and 3, delete "by officers or employees of a State agency or State appointees in the Executive Branch of the State Government" and insert in lieu thereof "except as limited by the provisions of section 10(c) of this act".

On page 8, section 13, line 13, delete "The" and insert in lieu thereof "In the case of any person other than a member or appointee of the Legislature, the".

On page 8, section 13, after line 20, insert the following new subsection:

"(c) In the case of a member or appointee of the Legislature, the commission shall report its findings to the House of the Legislature in which such person shall be a member or appointee and shall recommend to such House such action, as in its opinion, shall be appropriate under the circumstances. It shall be the sole responsibility of such House of the Legislature to determine what action, if any, shall be taken against such member or appointee."

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On page 9, section 16, lines 1 through 14, delete section 16 in its entirety.

On page 9, section 17, line 1, delete "17" and insert in lieu thereof "16".

Respectfully,

/s/ RICHARD J. HUGHES

GOVERNOR

Attest:

/s/ JAMES J. MCLAUGHLIN

Acting Secretary to the Governor

C. ETHICAL STANDARDS COMMITTEE

19. In addition to the duties and responsibilities imposed upon it by law, the Joint Committee on Ethical Standards shall have continuing authority to receive, investigate and report to the Senate and General Assembly with respect to allegations concerning the conduct or activities of members of the Legislature and employees of the Legislative Branch of the State Government reflecting upon the good name, integrity and reputation of the Legislature or any member thereof which may be referred to the Joint Committee by a concurrent resolution of the Legislature. The respective members of the Joint Committee appointed from the Senate and the General Assembly shall constitute a standing committee of each House which shall have the same continuing authority with respect to receipt and consideration of allegations, referred to either standing committee by resolution of the House, concerning the qualifications of the members of their respective Houses of the Legislature and the conduct or activities of members and employees reflecting upon the good name, integrity and reputation of the Legislature, a House or any member thereof. In the event any allegation referred to the Joint Committee or to the standing committee of either House shall involve the qualifications, conduct or activities of a member of the committee, that member shall be disqualified from participation in the committee's consideration of such allegation and the President or Speaker shall appoint a replacement to fill such vacancy on the committee, during consideration of such allegation, from among the members of the House of the same party as the disqualified member.

RESOLUTION BY

Senator Sears

Adopted January 13, 1970

Resolved, That the Rules of the 1969 Senate be adopted temporarily as the Rules for 1970, subject to the following amendment:

Amend Rule 74 by the deletion from the list of Senate Standing Reference Committees of the "Banking and Insurance Committee" and substitution of a "Banking Committee" and an "Insurance Committee."

Amend the final paragraph of Rule 74, as to composition of Senate Standing Committees to read as follows:

The Appropriations Committee and the Judiciary Committee shall consist of eleven members, all other Standing Reference Committees shall consist of five members; the Rules and Order Committee shall consist of seven members, all other Standing Administrative Committees shall consist of five members; the membership of the Senate on the Ethical Standards Committee shall consist of four members, the membership of the Senate on all other Joint Committees shall consist of five members; and the Investigating Committee shall consist of six members.

52 100

than a sporadic attempt every 10 or 15 years to update what has become obsolete in the intervening period. In this age of technical achievement, it would be well if we took advantage of techniques which were unknown and unavailable just a few decades ago.

I have been informed that a University of Pittsburgh project is placing the laws of Pennsylvania and New Jersey on electronic data processing equipment. This work, although of great potential value to the State of New Jersey, has proceeded to this point without cost to us. There remains, however, a certain amount of work to be done before the full benefits of this program can be obtained. The cost of that work is estimated to be \$13,000. Considering the great utility this material will have in the revision work now being done, I shall request the Legislature to appropriate this amount.

Conflicts and Lobbyists

Those who serve in or deal with government owe the general public the duty of conducting their affairs in a proper manner. New Jersey lacks the fundamental legislation, however, which would delineate the boundaries of proper conduct.

I renew my request for a conflict of interest law forbidding government officials and employees from engaging in activities or retaining private interests which conflict with their public responsibilities. The necessity for this legislation should be apparent to all. Because of an impasse between the Houses of the Legislature on this subject, I have directed my staff to undertake a review in the hope of developing a proposal acceptable to all. Such a proposal will be submitted to you in the near future.

A related subject is that of lobbying. While lobbying for or against legislation is a valid exercise of democratic rights, it is highly desirable to require the registration of those lobbyists who do so on a professional basis. The general public has a right to know who they are and whom they represent.

A Regulatory Obligation

New Jersey's natural advantages as a leading recreational State have been enhanced by the rising public interest in boating. This activity has imposed a regulatory obligation on the State.

*Gov Hughes 1st annual
message. Jan. 8, 1963*

Governor Hughes
2nd Annual Message, January 14, 1964

Following the public distribution of the results of these surveys, hearings were conducted by the Office of Milk Industry for the purpose of determining a future milk marketing program. Testimony at these hearings substantially supported the recommendation for a transitional period. Hearings are now being conducted by the Office of Milk Industry to establish the minimum prices to be effective during the period of transition. I anticipate that the minimum prices so established will preserve for the consumer the benefits of fair competition while extending to the industry a measure of price stability during this period of adjustment.

Of Laws and Lawmakers

Both of the State's major political parties have publicly recognized the desirability of enacting conflict of interest legislation which would clearly establish both for governmental personnel and the general public a standard against which the conduct of our public officials and employees could be measured. The proposal of the legislative commission which studied this subject some years ago has been regularly passed on a bipartisan basis by the State Assembly. With almost as much regularity, the Senate has passed its own modified version of this measure. To date, there has been no indication of agreement between the two Houses.

During the past session a new approach to this subject has been proposed by Senator Waddington. His plan, unlike those which have preceded it, does not purport to establish any fixed standard of conduct. Nor does it rely upon the sanction of the criminal law for its efficacy. The Senator's proposal, while not specifying what constitutes permissible conduct, would require executive and legislative personnel to disclose those activities in which they are privately engaged to the extent that such activities also relate to the operations of government. This bill leaves to the public the decision whether the actions of these governmental officials are sound and desirable. The Legislature should give serious attention to this proposal which may represent the means to the long-awaited agreement on a conflict of interest measure.

In this opening meeting of the Legislature, it also seems appropriate for me once again to suggest consideration of the

proposals for registration of lobbyists. In a representative government, we should expect and encourage the general public to present their views to their public representatives. In this regard, most of the individuals who engage in lobbying activities in the State Capitol perform a valid and often useful service, not only for their employers, but for the public itself. The general public and its representatives, however, should be able to assess and evaluate the extent to which organized interests are seeking to impress their viewpoints and attitudes upon governmental activities. I am certain that a properly prepared lobby control act can balance effectively the right of the public to present its views as against the equally important right of the public to know which of its members have chosen to exercise such a right on an organized and professional basis.

One final aspect of legislative activity requires your serious attention. During recent years, it has been necessary to attempt most formal law revision by means of individual legislative commissions. It has been necessary to resort to this device because the Law Revision Commission has not had adequate staff to take responsibility for time consuming law revision work. In most instances, the use of individual law revision commissions has not worked very satisfactorily. Some commissions which were established four and six years ago still are working on revision projects which are in various stages of completion.

While I do not believe that the entire responsibility for law revision can or should be vested in the Law Revision Commission, certainly this Commission should be strengthened to the point where it can shoulder a greater part of this work. I would be willing to give sympathetic consideration to any sincere efforts on the part of the Legislature to strengthen the law revision aspects of this Commission. One of the important subjects, which could come within the purview of such a general law revision instrument, would be the modernization of our election laws.

So, too, revisions of several parts of the statutes have been prepared or are now in preparation by some of the Departments. The Department of Law and Public Safety is preparing to submit revisions concerning the Weights and Measures Law, cemetery

corporations and the Bureau of Securities. The Department of Education has under consideration the Revision of Title 18.

In all of these areas the basic law has not been revised in many years and should be modernized.

Unfinished Business

Chapter 51

We can recall that Chapter 51, Laws of 1960, was adopted after extensive study to provide, among other things, a workable method for assessing business personal property and to avert the threat of "tax lightning." The enactment followed the Supreme Court's ruling that differences between existing tax practices and existing tax law no longer could be ignored. Guidelines and stability of administrative procedures, such as those provided by this law, are indispensable if New Jersey is to achieve order and uniformity in real and personal property tax administration.

During three postponements of its effective date, no alternative has been developed. A survey of personal property informational rates will be ready shortly and I commend it to the Legislature's consideration.

As long as the personal property tax is retained in this State, New Jersey will need—in the interest of equity—to accept a single approach to the taxation of business personal property with the adjustments that may result.

I am informed that there is substantial business opinion that Chapter 51 is preferable to continuation of the uncertainties under present law. Therefore, I recommend that Chapter 51 be permitted to go into effect for the tax year 1965.

With the possibility of Chapter 51 going into effect with the 1965 tax year, there arises the necessity of revising the limitations placed upon the indebtedness that may be incurred by any municipality. The Division of Local Government in the Department of the Treasury is meeting with representatives of the municipalities with a view to working out a formula which will not unduly hinder the essential expansion and improvement of our

municipalities while preserving the financial stability of these local units. A proposal to amend these debt limitations will be submitted to you during the forthcoming session.

The Constitutional Amendments

Of the four amendments to the State Constitution approved by the people in November, two already have been implemented by the Legislature. There remains the necessity of carrying into effect the farm land assessment proposal which is so very important to the preservation of family farming in New Jersey. I have reconstituted the Governor's Committee on the Farm Land Assessment problem which will be ready to work with you in this respect. Similarly, there is a sense of urgency in taking final action on the constitutional change relating to residency requirements and voter qualifications in State and presidential elections. Inasmuch as this is a presidential election year, it is vital that no qualified person be deprived of the opportunity to vote for the candidate of his choice.

CONCLUSION

This year, by the will of the people, you and I enter upon a new relationship, with members of the Republican Party in the majority in both Houses of the Legislature. As I see it, this casts more serious responsibilities upon each of us. It invokes more than the ordinary amount of bipartisan effort. It teaches new lessons of humility and it presents new temptations for the exercise of partisan power. But in the final analysis, nothing has changed in the nature and extent of our mutual obligations to the people whom we serve. They expect of us not partisanship, but joint effort.

I embrace the challenge of this new relationship and will join with you completely and wholeheartedly to serve the common good in a frame of bipartisan reference. Political success and failure can fluctuate quite frequently in this State, for the independence of the people identifies political responsibility with the rendering of faithful service, not to party but to the public.

Governor Hughes
3rd Annual Message, January 12, 1965

At the same time, however, there remains in the Legislature an unfortunate but substantial undercurrent of negativism and opposition to any change in the status quo. A resolution calling for a constitutional amendment to permit states to apportion the membership of one legislative house "on factors other than population" recently was defeated in the Assembly by the narrowest of margins. The leadership of the Senate has indicated that a similar resolution will be introduced in that House during the forthcoming session. Such maneuvers are associated inescapably with certain efforts which have been made elsewhere to evade the force of the equal protection clause of the United States Constitution in related areas, and are entirely foreign to the heritage of New Jersey.

I would urge all legislators to abandon any further efforts in that direction, and to concentrate all their energies upon the adoption of a meaningful apportionment plan for the next election. It would be tragic if this, the last Legislature elected under our present system, were best remembered only for having presided reluctantly and bitterly over its own demise. This Legislature instead could live forever in our history as the body which paved the way for an orderly and constructive transition from the old way to the new way, in obedience to the supreme law of the land. The choice is yours.

Two Continuing Obligations

In addition to reapportionment, there are two other internal legislative matters which warrant early consideration by the Legislature this year. The first concerns the enactment of a workable conflicts of interest law.

During the past session, the two Houses for the first time were able to agree on the passage of legislation to define and prohibit conflicts between the official obligations and the private interests of members of the legislative and executive branches of government. This bill embodied the approach, long favored by the Senate, of granting to each House the exclusive power to hear and determine, in closed session, all charges of impropriety against its own members.

Primarily because of my conviction that no conflicts of interest law can be of value unless it provides the assurance of a full and fair public hearing on such charges by an impartial body, I found it necessary to return this measure to the Senate with certain recommendations to strengthen it in that regard. Specifically, I proposed that the State House Commission, as an appropriate independent tribunal composed of responsible members of the executive and legislative branches, be empowered to adjudicate the truth or falsity of complaints involving alleged violations by members and employees of both branches. This recommendation was offered as a possible compromise between the criminal sanctions preferred by the Assembly and the illusory enforcement provisions advocated by the Senate. To the gratification of many, there was some indication that the Legislature might repass the bill with the substance of my recommendations, thus breaking a long-standing deadlock between the two Houses and giving this State its first meaningful conflicts of interest law. Unfortunately, this responsible action failed to materialize during the past session. I am hopeful, however, that the Legislature in this session will accord early recognition to its responsibilities in this area, and that a new bill adopting my suggestions for certain and impartial enforcement of the law will soon be introduced and passed.

The second piece of unfinished internal business for this Legislature relates to the measure enacted last year to require the registration of "legislative agents," as that term is defined by the act, and the filing of quarterly reports by legislative agents and certain other persons engaged in the influencing of legislation by direct communication. As I observed when I approved this law, I was skeptical as to whether it would in fact establish an effective program of lobbyist control because of its rather imprecise definitions concerning those persons who are subject to its provisions. Because of my wholehearted agreement with its stated objectives, however, I signed this law with the understanding that it represented no more than an experimental first step which subsequently might be extended by the Legislature on the basis of actual experience if that experience should so warrant. While the first definite indication of this law's success or failure will not manifest

itself until the advent of the first quarterly filing date, the signs so far have not been encouraging in terms of the number of persons who have registered as "legislative agents." I would urge the Legislature to watch closely the development of this situation, and to prepare to make any necessary clarification or extension of this law which may prove to be needed in the near future.

New Demands on the Courts

The framers of our 1947 Constitution conceived a new court system which soon achieved international recognition as a prototype for the swift and impartial administration of justice. Streamlined in its structure, evenhanded and efficient in its operation, distinguished by the services of many dedicated judges and incorporating new concepts such as pre-trial procedures, this court system converted the abstraction of equal justice under law into an everyday reality upon which our citizens have come to depend.

Perhaps it is ironic that while the New Jersey judicial system continues to be admired and emulated elsewhere, serious external pressures today threaten its continued effectiveness as an instrument of justice. The world has changed during the past 17 years, and the change has been reflected in the needs of every state. There has been a population explosion, and the personal and business affairs of the average person are more complex than ever before. New social and governmental relationships have emerged, and there are new concepts of civil duties, rights and liabilities. There has been an increase in the crime rate, in part due to the great increase in our population. The use of the automobile has become such a part of modern existence as to congest our highways and contribute to an alarming increase in injuries and property damage.

In another day and age, our existing court system might have functioned effectively for many years without need for re-examination or revision. The stresses of the unique time in which we live, however, are taking their toll and urgently suggest the need of a comprehensive study with a view toward determining those areas in which our judicial system should be adjusted to meet the new circumstances which could hardly have been envisioned even 17 years ago.

A Broad Review

After discussing this subject with the legislative leaders, I have requested Princeton and Rutgers to undertake a joint study of this problem. This analysis will be wide in scope, and will include questions of court structure; jurisdiction and procedure; the term, tenure, and qualification of judges; and salary and pension arrangements for members of the bench. While both universities are willing to undertake this review, a project of such magnitude will require some financial assistance by the State. I intend to request the Legislature to make a suitable appropriation for this purpose on the basis of cost figures which will be made available later. I am certain that the amount involved will be moderate, particularly in view of the benefits to be achieved, and I commend this problem to your urgent attention.

While the results of this study may not be forthcoming in time for early consideration by this Legislature, there are two immediate and urgent needs for improvements in the court system which no study is needed to establish, and which warrant early legislative response.

The Undeniable Need for Judges

The first is the undeniable need for more Superior Court judges. An unprecedented surge of litigation has crowded the court calendars far beyond their capacity for timely disposition of law suits and criminal indictments. The people are being deprived of their right to prompt redress of their legal grievances, and the administration of criminal justice is lagging. The impending breakdown in the capacity of our present bench, despite the faithful hard work of our judges to deal with the case backlogs, threatens the administration of justice in a very real sense.

Last year I called for legislation to increase the number of Superior Court judges from 44 to 60, and a bill to that effect was introduced with bipartisan sponsorship. However, a committee substitute limited the number of new judgeships to eight. While I am gratified that the Legislature was partially responsive to the problem I must reiterate that the additional judges are urgently needed by the people of New Jersey. I am hopeful that the Legislature will act soon to provide them.

Governor Hughes
6th Annual Message, January 9, 1968

in savings in taxpayers' dollars. I believe it essential that the good work of the Commission continue, and I was pleased to sign into law last year a measure extending its life. Recently, the Commission completed an extensive study of our water resources. Its report contains suggestions—now being studied by this Administration—for the future management of that invaluable asset.

The actions taken and results achieved do not suggest that nothing further remains to be done. Proposals to realize still further economies can be assured of my full attention, for it has always been the position of this Administration that government should spend every dollar necessary to meet the legitimate needs of the people it serves, but not a single cent more.

To Maintain Legislative Integrity

It is my hope that this body, during the present session of the Legislature, will turn its attention to two much-needed measures designed to increase public confidence in the process of government—improvements in the laws concerning conflicts of interest and the disclosure of lobbying activity.

Last year I signed into law a measure requiring that persons serving in the executive or legislative branch of government reveal their proposed business transactions with the State and their proposed representation of individuals before a State agency, thereby subjecting those actions to public scrutiny and evaluation. I recognized then, as I recognize now, that a "disclosure law" is no panacea for the skepticism with which some members of the public view the activities of government. But such a law is a first step toward the establishment of a climate in which the people can be assured that those elected or selected to do the public's business do so with only one goal in mind—the public interest. I now suggest that this Legislature consider the second step—the establishment of a procedure by which complaints against members of the executive or legislative branch can be reviewed and judged by an independent and unbiased agency.

Additionally, the Legislature should direct its attention to the enactment of needed amendments to the Legislative Activities Disclosure Act. As I have stated on several occasions, an ade-

quate lobbyist control act should strike a balance between the right of persons or groups to present their views by engaging the services of another and the right of the public to know who has engaged such representatives. The lobbyist, without doubt, provides information and assistance which may not be generally available to a busy legislator and in many cases makes a valuable contribution to the democratic process. Since the enactment of the present law, however, it has become apparent that its scope and effectiveness too limited. Not all persons who engage in lobbyist activity are currently required to register nor are the required reports as informative and complete as they should be to disclose all pertinent information. I therefore recommend that legislation be adopted to clarify and broaden the scope of the present law, and to establish meaningful penalties for non-compliance.

Public Employee Grievances

A problem of continuing perplexity to government at all levels is the difficulty of developing a workable procedure whereby the legitimate grievances of public employees can be discussed and resolved and unconstitutional work stoppages avoided. While New Jersey has been more fortunate than some of her sister states in avoiding a multiplicity of interruptions in vital services, there have been a sufficient number of actual or threatened work stoppages to occasion great concern among our citizens. There can be no strike against the public interest. But neither can there be a failure on the part of government to provide machinery for respectful dialogue between employees and administrators aimed at the resolution of legitimate grievances.

Eighteen months ago I approved legislation creating the Public and School Employees' Grievance Procedures Study Commission. The Commission was charged with the task of studying existing machinery for the presentation of grievances by public employees and recommending, if necessary, further procedures for the presentation of their grievances. Today you will receive the final report of the Commission, the product of hundreds of hours of careful deliberation of this challenging question. To you will fall the task, through the legislative process, of striking a meaningful accommodation between the rights of public employees to

*Seventh Annual Message of
Gov. Hughes, Jan 14, 1969*

There is, nevertheless, still room for innovation and change in order to secure that flexibility and growth needed to meet unprecedented pressures from increased caseloads. At this time last year I suggested that the Legislature "consider the possibility of initiating a constitutional amendment to permit the merger of the county and superior courts, bearing in mind that the judges of those two courts already exercise parallel jurisdiction in a number of areas." I renew this request even more forcefully in view of the diminishing difference in the practical exercise of jurisdiction by these two categories of courts.

In April 1968, I recommended that the functions of the present municipal court system be merged into our unified State court system. Recognizing that many practical problems were presented by this proposal, I asked the creation of a commission to study the proposed transfer and recommend the best and most effective course of action. I renew this request.

To the credit of the Legislature, it has increased the levels of judicial compensation to enable the attraction to the bench of many fine and distinguished lawyers. This process of improvement could be completed by overhauling our judicial pension system, and I recommend that course of action at the earliest possible time.

TO INCREASE PUBLIC CONFIDENCE IN GOVERNMENT

It is the public's legitimate expectation that those elected or selected to do the work of government will do so with only a single thought—the public interest. It is the unquestioned obligation of everyone in public service to conduct himself in such a manner as to justify that expectation. As a much-needed and too-long delayed reform of the governmental process, I am strongly recommending that Conflicts of Interest laws be improved.

In 1967 I signed into law Chapter 229. I stated then that this measure was no more than a meaningful first step. I now propose that we complete that journey. Chapter 229 should be amended so as to require that all legislators and all members of the Executive Branch of government having Division-head status or above, disclose for the public record the names of any and all businesses

in which they have a proprietary or substantial financial interest. This amendment would, of course, be an addition to, not a substitute for, existing requirements of disclosure for State employees or members of the Legislature who either deal directly with the State or represent other persons having interests adverse to those of the State.

Code of Ethics

In addition to the necessary improvement of the disclosure law, serious consideration should be given to the enactment of a legislative code of ethics, the violation of which would result in sanctions imposed by an impartial agency. As a minimum, such a code should include a bar against such actions by a member of the Legislature as:

1. Accepting outside employment which he has reason to believe would impair his independence of judgment as to official duties; or
2. Wilfully or knowingly disclosing for pecuniary gain, confidential information acquired in the course of his official duties; or
3. Participating by voting, or other action, in the enactment or defeat of legislation in which he has a personal interest, unless he makes that interest known to the Speaker of the Assembly or the President of the Senate, as the case may be, and certifies that in his opinion he can vote on the measure fairly and objectively and notwithstanding his personal interest.

Further, I would urge you to consider the adoption of a code of ethics which should be binding upon local officials. Manifestly, justice requires that the same norms of ethical conduct apply to these various categories of public officers.

Control of Lobbying Activities

Another matter deserving of immediate legislative attention is the strengthening of the Legislative Activities Disclosure Act. The legislative agent often provides valuable information and assistance to the busy legislator, but the public should know who approaches elected representatives for the purpose of influencing

the course of legislation. Under the existing law, not all persons who engage in lobbying activities are required to register, nor are required reports sufficiently complete. The gaps in the existing law must be closed immediately in the public interest.

I also wish to draw your attention to the fact that under existing law many of the steadily growing number of agencies and commissions at the local government level are not required to file financial reports with the Division of Local Finance. I recommend legislation to provide the needed oversight so that the taxpayers of this State can be assured that their tax dollars are being spent in the most productive and economical way possible.

Other important matters which warrant your prompt action:

1. A return to the 60-day Rule of the Senate requiring that all gubernatorial nominations be acted upon either affirmatively or negatively within that period. No reasonable interpretation of the Senate's Constitutional responsibility to "advise and consent" can be made to justify the inexcusable burden placed upon our judicial system and many administrative agencies when important nominations are permitted to lie dormant for extended periods of time.
2. Adoption of a rule allowing the release from committee of any bill upon petition of one-third of the respective House. The public welfare demands an open and informed dialogue on the questions of the day, and worthwhile legislation should not be bottled up in committees that all too frequently fail to meet. The view that I express here was shared by Governor Alfred Driscoll, who called for a similar Rule in his Annual Message of 1953.
3. The final interment of the caucus system and all that it has come to mean in the eyes of the people of this State, who expect their laws to be written not in secret, but in full public view.

Public Employee Relations—A New Era

Last year, with the adoption of the Public Employees' Relations Act, a significant step was taken toward the establishment of a fair and equitable procedure for the resolution of legitimate public employee grievances. The Public Employees' Relations Commis-

sion (PERC) created by this act will provide a long-needed forum for open discussion and mutually respectful dialogue between government employers and employees. PERC is reporting today to this Legislature on its progress to date, and I know that you will find this report good reason for trust and confidence in this body.

Amendments Needed

I must point out, however, that the Public Employees' Relations Act is sorely in need of amendments to facilitate its administration and to unravel certain conceptual problems that result from unclear language. I outlined many of these defects last year in my conditional veto message, and I shall now forward for your consideration a bill that will substantially improve the law.

Against Destruction of Government

But one matter cannot wait, and I respectfully point out to you today that it requires your immediate action. In my conditional veto, which you chose to ignore, I asked this Legislature to disclaim publicly any intention on its part to permit work stoppages by public employees. In light of a recent judicial development, such a statement is even more essential today. In the opinion of the New Jersey Supreme Court (*Union Beach Bd. of Ed. v. N.J.E.A.*, 53 N.J. 29), the court rebutted the longstanding belief held by many persons, including myself, that Article I, par. 19, of the New Jersey Constitution inhibits strikes by public employees. It went on to point out that while there is a common law bar to such strikes, it is clear that the Legislature has it within its power to grant such a right. The court's opinion, however, cannot be construed as encouraging such a legislative grant of authority, for it pointed out, *inter alia*, that:

"* * * Unlike the private employer, a public agency may not retire. The public demand for services which makes illegal a strike against government inveighs against any other concerted action designed to deny government the necessary manpower, whether by terminating existing employments in any mode or by obstructing access to the labor market. Government may not be brought to a halt. * * *

"* * * Hence, although the right of an individual to resign or to refuse public employment is undeniable, yet two or more may not agree to follow a common course to the end that an agency of government shall be unable to function. * * *

To reassure the public and to remove all doubt, I urge, in the strongest possible terms, that this Legislature immediately declare *solemnly* and *finally* that the public employees of this State enjoy no right to strike. It is a manifest truth that the public, which is the ultimate employer of all of us, is entitled to uninterrupted service from its governmental employees, especially when one considers such vital public needs as police and fire protection, education, institutional care, and public transportation. We must exert every possible and legally permissible effort in defense of that public right, that is, the right of the government to exist at all. The establishment of PERC is clear proof that there exists an alternative means by which employees in public service can express and achieve their lawful and rightful objectives *without* bringing essential government services to a halt.

Fair Settlement of Claims Against the State

I must point out at this time my concern about the present procedure for processing claims against the State. Only today I found it necessary to use my constitutional powers to line item veto certain contested items in the Supplemental Appropriations Bill.

It seems clear that the present system of considering such claims is not fair to the claimant, to the public agency involved, to the Legislature, or to the State itself. Because of the great demand on each legislator's time, few can be involved in a claims procedure, and even these few find it difficult to devote the time and attention that some of these more complicated issues deserve.

For example, one claim approved by the Legislature which I found necessary to veto today involved nine days of hearings before the Appropriations Subcommittee on Claims, with only two members, and often just one member, regularly in attendance. No finding of component facts was made by the Subcommittee,

aside from its eventual conclusion, and its report to the general Appropriations Committee does not contain any statement of findings of fact such as would justify, for instance, a review by any appellate court.

Unlike other items of legislation, the decision by the Claims Committee is more nearly comparable to the verdict of a court than it is to the adoption of ordinary legislation. For the fulfillment of the Governor's constitutional duty he, in fact, must agree or disagree with the judgment of the Legislature in such regard.

It is hardly possible, as in the case of one item in the present veto, to judge the merits of such a complex issue. I feel that a minimal requirement would be the recitation of factual findings which would enable the executive to understand the reasoning under which the Legislature has approved the whole or a large portion of a substantial, complicated claim. Otherwise, it is virtually impossible to fulfill the executive function of approval or disagreement with the terminal conclusion of the Legislature, as in the case of the veto to which I refer. Under present law I have no choice but to reject the issue, for the executive cannot act capriciously with \$1 million of public money.

As another example of the ineffectiveness of the present system, the claims bill to which I refer passed the Senate by a bare majority of one vote, many Senators abstaining on the issue. It is impossible to tell how the members of the Legislature would have voted on each of the unrelated items of the bill had they the full record and findings before them in the same manner that we would expect of any court or arbitration proceeding.

The courts of this State have been expressing more and more concern over the absolute sovereign immunity which now inheres in the State, no matter how much at fault it may be in any transaction.

I therefore urge you not to let another session go by without establishing an adequate claims procedure. It may be that after investigation you will decide that some type of Court of Claims or reliance upon recognized mediation or arbitration machinery is the best approach.

I pledge my full cooperation to find a just solution which will not put the Legislature or the executive in the position of judging claims on an inadequate basis and which will not use the power of the State to abuse the just claims before it, nor to hastily grant such claims regardless of their merit.

BROADENING POLITICAL PARTICIPATION

The New Jersey Constitution states clearly that "all political power is inherent in the people." Yet certain provisions of our present election law actually have the effect of restraining our citizens from full participation in the election process and thus from exercising the power which is rightfully theirs.

It is therefore time to eliminate shortcomings in our election system in order to ensure the broadest participation of our citizens in the political process. This action is especially important in view of the fact that the last revision of our election law occurred in 1930, in the different world of nearly four decades ago. I ask your prompt action on the following measures:

1. Voting machines should be required in all counties. The inconvenience, abuse, and waste of time, money, and manpower associated with the use of paper ballots are well documented and can no longer be tolerated.
2. Mobile neighborhood registration—a system that can help encourage political participation—should be not merely permitted, as under present law, but required in all counties.
3. Registration rolls should not be closed until three weeks before election day, as is the case in New York, rather than the forty-day period that now obtains here. This change will help attract still wider participation in each and every election.
4. The unsound and unjust double standard that permits our youth to die in battle in defense of our country but denies them the privilege of voting if they are between eighteen and twenty-one should be rectified. Our young citizens today are better educated, more highly motivated, and more generously concerned than ever before, and they should have the right to vote.

8th Annual Message
of Governor Hughes
January 13, 1976

Conflict of Interest and Seasonal Worker Measures

12. Adoption of a strong conflict of interest law pursuant to my conditional veto message of Senate Bill #707 of 1969. The provisions of my message with reference to local officials and dealings of legislators with State agencies are especially critical and must be included in any meaningful conflicts legislation. I also call your attention to my proposal for tighter control of lobbying activities.

In acting on the conflicts problem the Legislature should also give careful consideration to establishing appropriate guidelines for State and local administrators for dealing with business concerns, the principals of which have been indicted or convicted of criminal offenses. Government should be in a position where it deals only with legitimate business enterprises. We have witnessed in recent years, however, convictions of individuals holding positions of responsibility in national corporations as well as the indictment of principals in smaller concerns. Obviously a blanket disqualification of all business concerns who may have employed a wrongdoing executive cannot be justified. The governmental administrator, however, should have guidelines clearly enunciated by the Legislature to assist him in making appropriate judgments when confronted by these circumstances.

13. Measures relating to the rights of seasonal farm workers with respect to transportation safety, collective bargaining and visitation.

Election Law Reform

14. Essential revisions in our election law with reference to mandatory use of voting machines in all counties; mandatory mobile neighborhood registration; a longer registration period; improved absentee voting provisions; and the creation of a State supervisor of elections.

With respect to participation in our political process, I must point out to you once again that it is nothing short of scandalous that more than 1.2 million persons in this State who are eligible to vote, or about 25% of the total, are not registered. The mea-

asures I have urged to broaden political participation would help remedy this intolerable condition. It is your solemn duty to work not for constriction of this participation but for its expansion. I therefore ask you to accord action on these measures the highest priority.

CRUCIAL ISSUES FOR THE NEW LEGISLATURE

Above and beyond your prompt consideration of this important pending business I commend your attention to several issues that will weigh heavily on the quality of life in this State during the year and the decade ahead.

A State Income Tax

You are fully aware that a major tax decision awaits this Legislature. Indeed, you were fully aware one year ago that the pressing budget requirements of State government could not be ignored. As I told you in my budget message of last February:

"You should keep in mind that if this Legislature successfully avoids a basic tax decision, that decision certainly will be forced upon future Legislatures."

Notwithstanding my revenue proposals of last year, you chose to avoid that basic tax decision by accelerating existing revenue collections and increasing "nuisance" taxes.

In place of a forthright and realistic tax solution you opted for a one-year expedient—the accelerated collection of taxes on corporate income and net worth, motor fuels, and alcoholic beverages. To complement this bookkeeping device, which brought no real new revenue to the State, you raised motor vehicle driver and registration fees.

But successful avoidance last year means hard decisions this year. As Governor-elect Cahill warned on October 20, the budget deficit resulting from this reluctance to face fiscal facts last year could well approximate \$200 million. And the actual budget that Governor Cahill will present next month may require a still larger infusion of new revenues.

1st Annual Message
Governor Cahill
January 13, 1971

Our hardwood forests, primarily oak, continue to be threatened by the gypsy moth. Defoliation has increased from five acres in 1966 to approximately 130,000 acres during the summer of 1970. Severe tree mortality is beginning to be evident. Portions of the Newark Watershed in Passaic County will experience a 57 percent oak mortality, or approximately 1,000,000 trees destroyed this year, an economic and environmental loss of magnitude. Our biological and chemical integrated control program in cooperation with local municipalities and the Federal government in controlling the gypsy moth is sound financially, scientifically and ecologically.

New Jersey has been the leader in the nation in rearing and distributing biological parasites. The Department of Agriculture's integrated program using biological methods of control together with safe pesticides is commendable for gypsy moth suppression.

I also support research programs by our Federal government; particularly, the programs that are designed to eliminate the financial losses in our residential and recreational areas as well as timber sources.

CONFLICTS OF INTEREST, DISCLOSURE AND ELECTION LAW REVISION

I am confident that in 1971 this Legislature will adopt the very meaningful conflicts of interest bill that is already before you.

This bill has been pending in the Senate Judiciary Committee since April 30, 1970, with no formal action taken. I have made my position on the bill clear to the legislature, and have stated that it should not be amended to provide any substantive exceptions.

The need for example to our youth is self evident; the need for confidence in our public officials is more essential today than ever before; the need for the Leaders of our State to give leadership in this all important field is compelling; the need for action is NOW!. I urge your support of this legislation.

It is also my intention to call for meaningful disclosure laws governing the activities of lobbyists in connection with the influencing of legislation. Legislation will be introduced which will strengthen the regulation and disclosure requirement of lobbyists.

The recommendations of the Election Law Revision Commission relative to contributions and expenditures in a political campaign are under review in my office. While I have not finalized my own conclusions on the entire report there is no doubt in my mind that corrective action must be undertaken by the Legislature to eliminate the many abuses that have existed in the application of campaign contributions. I expect to give my views to Legislature in the near future.

PROFESSIONAL AND OCCUPATIONAL LICENSING

Last week, the Professional and Occupational Licensing Study Commission submitted its report concerning the 21 State licensing boards that regulate 42 professions and occupations having a total of more than 200,000 licensed practitioners.

These recommendations include:

- elimination of State licensing regulation in professions and occupations that do not directly affect the health, welfare or safety of the public;
- that education, experience, and examination rather than age, New Jersey residency or sponsorship be utilized as primary entrance requirements;
- that Boards be reconstituted with greater public representation;
- that enforcement and disciplinary powers be transferred from the Boards to the Attorney General; and
- that licensees be required to requalify at regular intervals.

These recommendations, in my judgment, chart a course of action which will assure the qualifications of practitioners, and will protect the public from vested interests. In all, the Commission recommends that only 11 of the 21 licensing boards, regulating 17 professions and occupations with a total of about 127,000 practitioners, be continued.

I strongly support these recommendations, and urge that the Legislature give them the most careful consideration.